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University of Alberta

The State, Natives and the Economy of the Northwest Territories: 1945 - 1990

by

Gary D. Juniper

A Thesis

Submitted to the Faculty of Graduate Studies and Research
in Partial Fulfillment of the Requirements for the Degree of
Master of Education

in

International/Intercultural Education

Department of Educational Foundations

Edmonton, Alberta
Fall, 1990

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Abstract

A number of Marxian derived concepts on the modern state and capital are drawn upon to explore the argument that the continued disadvantaged socio-economic position of the majority of the north's native population is primarily the result of the northern state's accumulation strategy set in motion during the 1950s. This strategy was designed to promote large-scale industrial resource projects related to mining and oil and gas exploration and production. As part of this strategy, the state set out to provide a largely subsistence based Inuit, Indian and Metis population with southern styled community infrastructure, which included an educational system designed to assimilate "the native into our society and also assist industry and government by establishing a pool of trained personnel who are familiar with the north" (Robertson, G., 1960 p 371). Native people were to be grafted onto the expanding sectors of the non-renewable resource capital.

Today, 30 years after Robertson's policy statement, high unemployment and a myriad of social problems are the order of the day in most native communties in the north. The central thrust of the state's development strategy has failed for all but a small percentage of the native labour force. Since the mid-1970s, the state has increased its support for the subsistence economy after 20 years earlier declaring it "dead and dying". The state has taken the lead with affirmative action programs and is now the single largest employer of native people in the north. Native owned co-operatives and small businesses are being promoted and materially supported by the state at the community level. However, the central dynamic of the northern economy continues to be non-renewable resource extraction and all other economic activity hinges on the overall health of this sector. The northern state seems locked into this sector and incapable of coming up with the 'correct policies' to solve the problems at hand.

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One of the first things you notice upon arriving in Yellowknife, the capital of the Northwest Territories, is how modern the place is. As I look out my office window in December 1989, I can count eight office buildings and apartment towers over 10 stories high in the downtown area. Since my arrival here seven years ago, economic growth has not slowed down. Yellowknife has one of the most educated populations and one of the highest per capita incomes anywhere in Canada. In stark contradiction to this urban reality the Inuit, Dene and Metis people are in the majority experiencing education levels and unemployment rates that seem more likely to be found in Third World countries and not in one of the wealthiest countries in the world. I was overwhelmed by this dichotomy and set out to discover its historical antecedents.

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Introduction

The Northwest Territories during the post-World War II period offers a unique opportunity to study a period of tremendous socio-economic and political change affecting its aboriginal population. This change was, to a large extent, driven by an expanding interest in the North's mineral and oil and gas resources and a perceived need by the state to enhance its sovereignty in the area and come to the aid of starving aboriginals (Rea, K.J., 1968). With this rapid expansion of state machinery and the capitalist market economy into the homelands of the north's aboriginal population, a growing body of literature has been devoted to a debate over whether this expansion has been economically and socially beneficial to the aboriginal people living there.

The purpose of this thesis is to provide a fresh perspective on the role of the northern state in economic development after World War II. I have found that the Marxist concept of "accumulation strategy" is a fruitful way of accounting for the role played by the state in northern economic development (see Jessop, B., 1982 & 1983). State accumulation strategies involve the definition of a particular economic "growth model," which at the national or regional level may be designed for instance to promote exports or be designed to increase import substitution (Jessop, B., 1983 p 148). It should be noted that this study appropriates the concept accumulation strategies only at a general level. It is used essentially to refer to the northern state's economic development strategy as it has evolved over the period 1945 -1990.

This study argues that despite the seeming shifts and modifications in economic development policies and programs (accumulation strategy), the state can be shown to have quite consistently pursued a single approach to economic development in the north.

Indeed, since the 1950s, the accumulation strategy pursued has been largely designed to promote non-renewable resource exports through large-scale industrial activity associated with mineral and oil and gas extraction.

The general focus of this work, then, will be to describe the northern state's accumulation strategy, or overall approach to economic development. Particular attention will be given to the intended role to be played by aboriginal people in this accumulation strategy. The central concern will be to show that the economic benefits (employment and income) flowing from the state's accumulation strategy have by and large evaded the majority of northern native people. That is, the state's accumulation strategy essentially failed to integrate northern natives into the labour force anywhere near the levels of the non-native population. We are not by any stretch of the imagination suggesting that 'full employment' in the north could have been simply provided if the northern state had pursued the 'correct' accumulation strategy. "In practice, no nation-state can have the degree of leverage required to produce the desired result in its own segment" (Barker, C. 1978 p 33). What we are saying is that the present high levels of unemployment among the north's native population could have been significantly reduced had the single approach of promoting large-scale industrial activity associated with mineral and oil and gas extraction not been so single mindedly pursued.

Methodological considerations in this work include a theoretical component and the more traditional approach of marshalling empirical evidence. Turning to theory first, a number of Marxian concepts are advanced to explain the status of the northern state and its role in economic development. In order to more fully understand the status and role of the northern state we must understand how the state is rooted in the development of capitalism in the north. The latter will be accomplished by introducing a few key Marxian concepts to explain in a general sense how a capitalist economy works, and more specifically, how the northern social formation is structured. The more traditional approach of marshalling empirical evidence will consist of reviewing available literature and statistical series relevant to the focus of the thesis. In this way, government reports/studies and memoranda, industry and academic reports/studies, along with local newspapers and personnal interviews, are drawn upon.

The thesis is organized into five chapters. The first chapter attempts to flush out a number of Marxian derived theoretical concepts from the literature pertaining to state theory and theory of the economic base. The theory in turn raises a number of critical issues which are discussed in the chapters that follow and concluded with in Chapter Five.

Chapter Two provides an outline of the growth of federal state institutions in the north and, after 1967, the growth of the territorial state. This is followed by an examination of the accumulation strategy adopted by the state in the section on northern development policy since 1945. This latter section looks at the early formulation of the federal state's approach to northern development and traces its shifts and modifications up to the contemporary period. Secondly, we look at the approach of the territiorial state after 1969 to northern development through an examination of a number of economic strategy documents developed by the territorial state.

Chapter Three begins with a discussion of the state's strategy to provide formal education to native people. State sponsored education for the north's native population was to prepare native people as wage labour grafted onto an expanding non-renewable resource sector. A brief discussion follows that outlines native resistance in the Western Arctic to the state's accumulation strategy. This section is included to point out how the state's accumulation strategy led to the growth of a native resistance movement, a resistence movement largely motivated by economic dependency, political marginalization, and cultural subordination. The Dene were transformed from passive subjects to active historical agents during this period. The latter section also includes an examination of the main components of the Dene/Metis Land Claim and the potential impacts on the northern economy of this land claim. The last section in the chapter examines the traditional economy in the north. The importance of this economy to native people is examined along with the importance of state subsidies in support of this acitivty.

Chapter Four begins with a section on state sponsored economic and employment development which examines the main initiatives in these areas by the federal and territorial state since the 1950s, particularly as these initiatives have affected native northerners. This section is a more detailed examination than Chapter Two's section on the general contours of northern development policy. This involves a department by department examination of the various mechanisms (ie., policies and programs) whereby the northern state encouraged the development of capitalist relations of production in the north and thereby set in motion an ongoing forced transition of native people towards non-communal modes of production. The section on state sponsored economic and employment development is followed by a more specific analysis of native employment in the state's public service, with the petroleum and mining industries, and as found in the northern co-operative movement and native development corporations.

Chapter Five, the conclusion, looks back over the main findings of the study from the perspective of a number of concepts and issues raised in the Chapter One's discussion of Marxist theory of the state and economic base. These include the northern state's accumulation strategy; the impact of state intervention in the north; the social base of the northern state, and; relative autonomy and the northern state. The chapter ends with suggestions for further research.

Chapter One

Theoretical Considerations

Introduction

This chapter will examine the general outlines of a Marxist theory of the state and the economic base. Smith (1984) has stated that "Marxist theory attempts to explain the specific economic, political and social structure of society in a given period as the result not of supposedly universal forces (for example, human nature), but the result of historically specific and contingent processes" (p x). With this in mind, the status of the northern state and its role in the economy and labour market will be approached by reviewing the contributions of classical Marxism and neo-Marxism to state theory. The economic base of the Territories will be approached with theoretical considerations drawn from the works of Marx and the school of economic anthropology. We now turn to our theoretical considerations regarding the northern state and economic base.

A Theory of The State

For Marxists, the concept of the state is of crucial importance. According to the classical Marxist view of the state, the state's function is to maintain and to defend the domination and exploitation of the capitalist class, or owners of the means of production, over the working class. This view is best expressed in the "famous formulation of Marx and Engles in the Communist Manifesto" (Miliband, R., 1983 p 464): "The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie" (Ibid., p 464).

While it is generally agreed that Marx did not complete his study of the state (Knuttila, 1987), and "as a result there is no systematic theoretical statement or perspective on the state in his own works" (Ibid., p 98), there seem to be two general strands of thought found in Marx's study of the state and classes. Knuttila (1987) refers us to Held's (1983) State and Societies regarding these two strands of thought, with the following. The first strand, according to Held

> stresses that the state generally, and bureaucratic institutions in particular, may take a variety of forms and constitute a source of power which need not be directly linked to the interests, or be under the unambiguous control of, the dominant class, in the short term. By this account, the state retains a degree of power independent of this class: its institutional forms and operational dynamics cannot be inferred directly from the configuration of class forces -- they are "relatively autonomous" (Held, 1983 as found in Knuttila, 1987 p 103).

The second strand of thought found in Marx's study of the state relates to the idea that "the state and its bureaucracy are class instruments which emerged to coordinate a divided society in the interests of ruling class" (Ibid., p 103). Knuttila (1987), quoting Held (1983), says that this second strand, the classical Marxist position, is dominant in Marx's writing, while the first strand "is certainly a more complex and subtle vision" (Ibid., p 104).

Knuttila (1987) suggests that the twentieth century brought "numerous social, economic, and political developments" (Ibid., p 105) that classical Marxism was unable to adequately explain. With many of these developments - the post World War II economic boom and the growth of the welfare state and trade unions - it was increasingly becoming difficult to understand the state as "merely acting as an executive committee managing the affairs of the bourgeoisie" (Ibid., p 106). The modern state was taking a "leading interventionist role and conceiving of it as a class instrument of the bourgeoisie became more and more difficult" (Ibid.). Beginning in the 1960s, the outcome of this failure of classical Marxism was "a series of ongoing efforts to revise and reformulate the Marxian approach to the study of the state" (Ibid.). Theory in this new tradition became known as neo-Marxist. What follows is a review of the works of a number of neo-Marxist writers on state theory and the suggestion that many of their key observations and concepts can be used to understand the role of the state in Canada's North.

Miliband (1977) argues that while the capitalist class is undoubtedly the strongest pressure group in capitalist society, "this is not the same as saying that the state is the instrument of the capitalist class; and the presssure which business is able to apply upon the state is not in itself sufficient to explain the latter's actions and policies" (Ibid., p 72). The classical Marxist account of the nature of the state as an 'instrument' of the 'capitalist class' rests on a 'structural' explanation. Miliband finds strength in the structural explanation in

> that it helps to understand why governments do act as they do--for instance why governments pledged so far-reaching reforms before reaching office, and indeed elected because they were so pledged, have more often than not failed to carry out more than at best a very small part of their reforming programme. This has often been attributed--not least by Marxists--to the personal failing of leaders, corruption, betrayal, the machinations of civil servants and bankers, or a combination of all these. Such explanations are not necessarily wrong, but they require backing up by the concept (and the fact) of 'structural constraints' which do beset any government working within the context of a particular mode of production (Ibid., p 73).

The weakness of the classical 'structuralist' explanation, according to Miliband, is that "it makes it very easy to set up arbitrary limits to the possible" (Ibid.). That is, while there are 'structural constraints' placed on the state, determined by, in our case, the capitalist mode of production, "the temptation is to fall into what I have called a 'hyperstructuralist' trap, which deprives 'agents' of any freedom of choice and manoeuvre and turns them into the 'bearers' of objective forces which they are unable to affect" (Ibid.). Miliband argues that the important point to keep in mind is "to recognize the existence and the importance of these constraints is also to point to the limits of reform...and to make possible a strategy of change which attacks the mode of production that imposes the constraints" (Ibid.).

Jessop (1982) refers to the modern state as an "institutional ensemble" of forms of representation, internal organization, and interventions. Forms of representation "have definite (but not fully determined) effects on the accessibility of the state to different forces and also influence the way in which political forces themselves are constituted" (Ibid., p 230). The internal organization of the state "involves forms of organization concerned with the reproduction of the state apparatus itself as a system of political domination. This involves mobilization of resources for the continued operation of the state (such as finance, personnel, means of administration) but also a formal and substantive coordination of its different branches and activities" (Ibid., p 231). The third element of the ensemble, intervention, will be discussed later in this thesis.

The nature of the modern state and its complex of institutions in contemporary Canadian society has been studied by Panitch (1977). In attempting to delineate these institutions, Panitch suggests that:

> The state is not merely the government, far less just the central government. The state is a complex of institutions, including government, but also including the bureaucracy (embodies in the civil service as well as in public corporations, central banks, regulatory commissions, etc.), the military, the judiciary, representative assemblies, and (very important for Canada) what Miliband calls the sub-central levels of government, that is, provincial executives, legislatures, and bureaucracies, and municipal governmental institutions. Although the point itself seems simple once stated, its importance is paramount. It is important, first of all, because of what it leaves out. It leaves out political parties, the privately owned media, the church, pressure groups. These other institutions form part of the political system and no doubt part of the system of power in a liberal-democratic society, but, unlike the fascist case, they remain autonomous from the state (Panitch, L., 1977, p 6).

Clancy (1985), following Jessop (1982), argues that, "as a totality, the state affects the capacities of economic relations to persist or change. It should be understood as a mechanism rooted in, but apart from production" (p 274). We should note here however that the state cannot in all instances be considered "apart from production." Put another way, "the state can itself 'be a capitalist,' in the sense that the state institutions can directly become the 'conscious bearer' of the capital-relation..."(Barker, C. 1978 p 25). Barker (1978) goes on to demonstrate that "the state can be funded not only through its taxation of revenue from productive capitals falling within its 'political sphere' but can itself also directly exploit productive labour" (Ibid.).

Discussions centering around the relationship between the state and capital have lead neo-Marxists writers to theorize that the state possesses the property of "relative autonomy", and it is "impossible to reduce the alignment and effectivity of political class forces to their counterpart at the economic level" (Clancy, P., 1985 p 274). While the state possesses the property of "relative autonomy", it is not absolute. That is, "certain combinations and alliances are possible at the political level which could not be constituted as readily in the economy, but the options are not limitless" (Ibid.). Approaching the relationship of the state and capital in this way does not delimit the fact that the overall function of the state is to maintain an environment is which capital as a whole can accumulate. What it does however is to open the analysis up to recognizing the often contradictory role played by the state. Ross (1986) explains:

> If the state were not helping capital in its program of accumulation, then the social problems may not exist at all. But, given that they do, it is up to the state, as the representative of all classes in society, to act to ameliorate the deleterious implications of its actions in one sector or another. However, this would never be to the extent that the underclasses have the option to choose not to work for capital. At this level of analysis, the implementation of welfare policies becomes critical. Help is offered, but in such a way as to pre-empt real progress (pp 254-255).

What may appear on the surface to be a contradictory role, is in fact necessary "...for the state to fullfill its role in the capitalist system, which is to assure the ongoing health of the system as a whole" (Ibid., p 249). The question to ask when looking at particular state action in the economy, such as the provision of welfare or the support for a particular fraction of capital, is to ask in whose overall interests is the state exercising power?

The point to be made here as well is that the options open to state action within an overall capitalist system are not limitless. This latter theoretical insight might explain that, while the "social base" of the contemporary northern state is increasingly more representative of the native population, particularly at the political level, the rule of the market place limits the options available to political elites to solve the employment crisis in the north. It might also help to explain the seemingly out of control welfare budget of the territorial state, a budget largely earmarked for impoverished native communities.

Hindess and Hirst (1975) have argued that overall "state power serves to maintain, or in periods of transition from one mode of production to another, to transform, the overall structure of relations between classes"(p 36). In our analysis of the transitional period following World War II, we will look at the role the state played in the transition of northern aboriginals from petty commodity producers and subsistence hunters to being schooled and trained for the wage economy.

Clancy (1985), drawing much of his theoretical inspiration from Bob Jessop's, The Capitalist State, suggests that state intervention should be understood in terms of its "scope and nature." Scope refers to the "degree of generality or specificity of state action." Action can be distinguished between that which is "aimed at the general external conditions of capitalist production, and the more specific conditions attached to particular classes and fractions" (p 284). Within these two categories, state action may maintain, or alter, the prevailing situation. Several channels through which this may occur:

> 1. The state may **facilitate** the reproduction of class structure (by maintaining external conditions for self-regulating capitalist production, or directly reproducing such conditions). For example, certain wildlife conservation efforts sought to preserve the animal base on which both petty producers and merchant capital depended, thus maintaining an external condition of production.
>
> 2. Alternatively the state may **support** class structures (by altering the external or immediate conditions of production which favor specific groups). Thus a decision to underwrite a dedicated infrastructure, to regulate commercial trading, or to provide public credit or finance for designated sectors or enterprises, constitute supportive interventions.
>
> 3. Finally the state may **direct or control** the behavior of economic agents in particular ways. On a broad historical scale, this sets apart eras of laissez-faire from eras of direct intervention, and raises questions about the degree of consistency in overall state action (Ibid., p 285).

The particular "typology" of intervention presented "is intended to only provide criteria with which to assess the manner and extent to which particular states maintain, restore, or undermine the precondition of capital accumulation" (Jessop, 1982 p 235).

Jessop (1982) suggests that the above types of intervention can be linked to three points of reference: 1. circuit of capital; 2. periodization; 3. forms of political representation (p 235). The circuit of capital in its most abstract form refers to "the transformation of money capital into commodities and thence into money revenue embodying surplus value (M - C' - M')" (Ibid.). The point here is that as the analysis becomes more concrete and complex the role of the state and its varying forms of intervention can be placed at a particular moment in the circuit of capital. Periodization refers to the various stages of capitalism. Jessop suggests three general stages characterizing different historical periods of capitalism: competitive, simple state monopoly, and state monopoly.

> In the stage of competitive capitalism the state secures the formal framework of capital accumulation and leaves the substantive development of the economy to the operation of market forces. Under simple monopoly capitalism we witness a growth of substantive facilitation as a well as formal and/or substantive support for capital accumulation. Under state monopoly capitalism there is a further shift in the forms of state intervention with growing importance attached to the role of direction mediated through concertation/and or imposed from above (Ibid., p 237).

Clancy (1985) translates the above dimensions of state intervention into the "state as a social relation". He then asks the critical question concerning whose interests these interventions secure. "Put another way, what is the substantive character of state intervention" (p 285)? The "social base" of the state refers to the "specific configuration of social forces, howsoever identified as subjects and organized as political actors, that support the basic structure of the state system, its mode of operation, and its objectives" (Ibid., p 286). These theoretical insights regarding the "social base" of the state will be particularly important as we examine economic and labour market interventions initiated by the northern state. The particular focus here is the 1970s, when aboriginal northerners began to move significantly into the territorial state structure, at both the political and public service level. That is, beginning in the 1970s, what effects did the changing "social base" of the northern state have on state's accumulation strategy and the role of Native people in the northern economy? Clancy (1985) goes on to explain the significance of the state's "social base" in terms of state policy formation and intervention with:

> The object here is to determine which class or fraction organizes the power bloc and manages to impose its preferred accumulation strategy from the several potential lines of action available. To do this it will be necessary to assess some of the central economic initiatives secured by the leading state agencies. As Mahon puts it, a particular policy can be analyzed by identifying the forces directly and indirectly (the hegemonic fraction) involved in relation to a reading of the overall structure of representation (p 285).

The place to begin this analysis then, is to first identify the core institutions of the state in the north that have been and are now managing the northern economy and labour market. This should be followed by a). an examination of the main policy and program thrusts of these agencies and b). in whose interests these policies and programs serve. The "central economic initiatives" of a state make up its particular accumulation strategy. For instance, a particular accumulation strategy may be predisposed to policies favourable to private capital as opposed to co-operative development. More specifically, the state may adopt a resource based "export promotion" strategy carried out by private mining and oil and gas corporations (Jessop, B., 1983 p 150). Jessop (1983) argues that the concept of accumulation strategies involve "the definition of a specific economic 'growth model', complete with its various preconditions and an outline of the general strategy appropriate to its pursuit" (Ibid., p 149). In relationship to the Northwest Territories, the particular accumulation strategy adopted by the northern state has historically been resource export orientated and dominated by the promotion of private mineral and oil and gas corporations (Rees, W., 1988 p 59).

State theory on its own is not capable of understanding economic relationships in general or the particular economic relationships found in the Northwest Territories. There is the need here for a theory or way of understanding economic relationships in a capitalist society in general and in the north in particular. This task will be accomplished in the following section.

A Theory of the Economic Base

In order to more fully understand the evolution of the northern state and its role in the economy we must understand how the state is rooted in the development of capitalism in the north. In other words, Marxist theory of the state can't be understood in isolation from a broader anlaysis of the historical development of capitalism in the north. This section will begin with a brief history of the Marxiam view of the social world and be followed by a discussion of a number of key Marxian economic concepts used to explain economic relationships in capitalist social formations.

The Marxian view of the social world emerged in the mid 1800s as a solution to the prevailing market economy and capitalist system in Britain and Western Europe. "It was to conceive of a system in which goods were to be produced for use, not for sale; and in which working people should be compensated according to need, not according to the requirements of an employer" (Knuttila, M., 1977 p 82).

Marx was initially strongly influenced by German philosophy in general and by the philosopher Hegel in particular. When Marx was thinking about history, he was thinking in Hegelian terms. To Hegelians, history was the sphere in which spirit was realizing itself in the world. In this respect, man's self-consciousness was made distinct from nature. To Hegelians, man could always stand above himself and make himself what he is not. Marx, if you will, turns this Hegelian philosophy right side up in his Critique of the Hegelian Philosophy of Law. Marx "insisted on the human being as the fundamental reality," unlike Hegel whose "method of treating concepts as the fundamental realities made the relations of human beings a consequence of the relations of concepts" (Adams, H.P., 1965 p 14). While Hegel's dialectics remained in Marx's conception, the human being as a material being was at the forefront of his thought. The idea of the materialist conception of history followed suit--the idea that:

> In the social production of their life, men enter into definite relations that are indispensable and independent of their will; relations of production that

> correspond to a definite state of development of their material production forces. The sum total of these relations of production constitutes the economic structure of society, the real foundations, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of men that determines their being, but, on the contrary, their being that determines their consciousness (Marx, K., 1970 pp 20, 21).

What Marx is saying here is that as men develop their productive forces, that is, as they live, they develop certain relations with one another and that the nature of these relations change as the growth of the productive forces change. One therefore cannot study economic categories as eternally given, but rather as historical laws which are only laws for a particular historical development, a development determined by productive forces. For example, to Marx, it was the productive forces in a given social formation that determine the social, political and intellectual life process in general. What Marx was pointing out in his theory of historical materialism was that the study of any economic time period or system should be approached from the angle of relations of production, including such socio-economic factors as ownership or non-ownership of the means of production.

There is little doubt that one of Marx's most outstanding scientific discoveries was that of historical materialism (Shaw, 1983). Historical materialism "refers to that central body of doctrine, frequently known as the materialist conception of history, which constitutes the social-scientific core of Marxist theory" (Ibid., p 206). As a social-scientific theory, historical materialism is not "strictly speaking, a philosophy, rather it is best interpreted as an empirical theory" (Ibid.). As an empirical theory its approach "rests not on philosophically derived abstractions or dogmas, but rather on observation and an accurate depiction of real conditions; in short, on premises that can thus be verified in a purely empirical way" (Ibid.).

Wolfe et.al., (1984) define historical materialism as a "diachronic theory which could account for the changes which have occured in human social systems over time and, more particularily, in the economic (in the sence of material/means provisioning) functioning of those systems" (p 36). Wolf goes on to say that historical materialism was "theoretically motivated by the view that production rather than exchange is the cornerstone of economic functioning in human social systems and should be the major focus of analytical understanding in explaining human existence" (Ibid., pp 36, 37).

Semenov (1980) thinks that historical materialism is a way of seeing history as "the development and succession of socio-economic formations" and that the "concept of socio-economic formations naturally becomes the central and basic category of historical materialism" (p 29). Cook (1977) refers to the concepts of social formation and mode of production as the "master concepts in historical materialism" (p 366).

According to Cook, a social formation consists of the forces and relations of production (or mode of production), and the political/ideological organizations, or "all the critical elements of a total social system" (Ibid.). The forces of production are composed of the technical objects of production: land, labour and capital. The relations of production refers to the "social rules and relations directing the material processes of production" (Wolfe, 1984 p 39). The ideological refers to "those patterned sets of ideas, values, and sentiments which serve to formulate perceived social realities and to define, direct, and rationalize human action" (Ibid., p 41).

The mode of production, "encompasses, directly or indirectly, all the critical dimensions/elements of a total economic sub-system," and defines the material conditions of the social formation (Cook, S., 1977 p 365). Asch (1979) describes a mode of production further:

> The concept of a mode of production rests ultimately on a presumed logical consequence of two fundamental assumptions about the nature of human beings. The first is that humans possess "consciousness" or the ability to think rationally. The second is that a person can never alone fulfill all his material needs throughout his lifetime. Thus, it is argued, people must enter into social relationships with others in order to reproduce their material conditions and, because poeple possess the ability to think rationally, it follows that these relationships are conscious and thus will play a formative role in structuring the process of material reproduction" (p 88).
>
> From a formal point of view, a mode of production can be defined as a structure which results from the mutual and simultaneous operation of two sets of components: the technical and the social.

> The technical sphere is defined as consising of three primary elements, known collectively as the 'forces of production.' The first is land or natural resources,...the second, often called, 'technology',...the final, is 'labour' or 'labour power.'
>
> The social component is known as 'the social relations of production.' It includes concepts, such as 'ownership' and 'control' over the means of production that are intimately tied to this process (p. 89).

The northern social formation during the post war 11 period is broadly understood by social scientific researchers as constituting three modes of production: Capitalist Mode of Production (CMOP), Domestic Mode of Production (DMOP) and the Simple Commodity Mode of Production (SCMOP) (Wolf et. al., 1984; Usher, 1980; Ash, 1979; and Clancy, 1985). A working definition of CMOP, DMOP and SCMOP follows:

> 1. **Capitalist Mode of Production**: In brief economic production occurs within firms such as corporations and governmental agencies, which are typically separate from family groups. Economic firms are constituted through impersonal principles of contract. The family becomes the central consumption unit, but is not a production unit. Production is for exchange and the firms's objective is to maximize profits relative to investments.
>
> Since producers are separate from consumers, the social distribution of products and services is primarily accomplished through market mechanisms, an impersonal exchange network for buying and selling goods linking groups of firms and individuals through a class of middlemen.
>
> 2. **Petty [or Simple] Commodity Mode of Production**: ...a category of commodity producers who possess the means of production necessary to produce commodities, and who engage in production on the basis of unpaid household labour alone (Gibbon and Neocosmos, 1985 p 43).
>
> This phenomenal category...has the following general conditions and features:
>
> 1. exchange value production within conditions of generalized commodity production;
> 2. private vs collective production, and relative specialisation;
> 3. regulation by the same law of competition and accumulation as all commodity-producing enterprises under capitalism (Berstein H., 1988 p 262).
>
> 3. **Domestic Mode of Production**: In this mode of production land is held through communal institutions and is subject to the customs and obligations of the tribal community. ...In this mode relations other than those of familial units of production and consumption exist and are a necessary part of the structure and operation of the economy. Co-operative forms of production, co-operation in the sexual division of labour (work groups based on sex and task), redistribution of the product, all mean that the domestic unit is not dominant, that there is no single family-labour product or income (Ennew., J. et. al., 1977 p 309).

The traditional native economy in the North, under modern conditions, consists of two modes of production: the subsistence or domestic mode of production, and a simple commodity mode of production. The subsistence mode involves production of goods (ie., food, clothing) for direct consumption or use-value (subsistence), while in the petty commodity mode goods are produced for exchange-value (ie., fur, fish, crafts). In theory the DMOP and SCMOP refer to quite different relations of production. The latter mode supposes private property and production for sale, while the former supposes that land is held through communal institutions and production that is "directed toward consumption by the local domestic unit, a "production for use."

Chapter Two

The Northern State and Development

Introduction

The first section of this chapter outlines the evolution of the modern state in the north. We begin with the transfer of Ruperts Land to the federal government in 1870. The subsequent federal administrative history is sketched out up to the transfer of provincial-type responsibilities to the territorial state in 1967. The last part of the section outlines in brief the administration and legislative history of the territorial state bureaucracy up to the late 1980s. Section two, looks at the defining elements of federal and territorial development policy since 1945.

The Growth of the Modern State in the North

For our purposes then, the origin of the contemporary federal bureaucracy in the North began in 1870. In 1870, the federal government assumed administrative control over the Northwest Territories with the surrender from the Hudson's Bay Company of their interests in Rupert's Land and the Northwestern Territories. Following this surrender, the federal government created the Department of Interior in 1873 to handle the administration of the Northwest Territories. The Minister of the Interior was given control and management of the NWT, Indian Affairs and Indian Lands. The existence of a separate federal bureaucracy charged with the responsibility of control and management over northerners has continued in various departmental configurations to this day.

Federal responsibility for the North between 1873 and 1953 passed between various departments, none having northern administration as their prime responsibility. This situation changed in 1953 with the creation of the Department of Northern Affairs and National Resources out of the old Department of Resources and Development.

Prime Minister L. S. St. Laurent, in the House of Commons debate over the Bill to create the new department, remarked that, "this will be the first time that this designation "northern affairs" will have appeared in the name of a department of the government of Canada" (St. Laurent, L., PM, House of Commons Debate, Dec. 8, 1953 p 697). The functions of the new department were to remain "essentially the same as those of the department of resources, except that hereafter responsibilities in relation to the north will be more fully and clearly spelled out. The minister will have the specific duty to co-ordinate the activities of all government departments in the Northwest Territories and the Yukon" (Ibid.).

Within the new Department of Northern Affairs and National Resources, the Northern Administration and Lands Branch, "administers Eskimo affairs and natural resources in the Yukon and Northwest Territories," and "it administers the Northwest Territories under the Northwest Territories Act (R.S.C. 1952) (DNANR Annual Report, 1954-55, p 23). As well, given that there was no territoral civil service at the time, the new Branch performed all administrative functions. The Branch had three divisions, Territorial, Lands, and Arctic.

Under the Territorial Division, the Territorial Secretariat Section, was responsible for "the administration of territorial legislation and policies relating to health, welfare, labour, municipal affairs, liquor, professional and business licensing, motor vehicle control, and taxation" (Ibid.). The Lands Division was responsible for administering Crown-owned lands, mineral rights, and timber. The Arctic Division administered "those areas of the Northwest Territories lying north of the tree line," and "is also responsible for the administration of Eskimo affairs throughout the Canadian Arctic and Sub-Arctic, with the exception only of matters directly pertaining to health and education" (Ibid., p 30). Within the Territorial Division, the Education and Vocational Training Services Section had "responsibility for organizing education and vocational training programs for the Northwest Territories" (Ibid., p 26). One year later (1955-56), a separate Education Division was set up to handle the new unified expansion of the school system.

Clancy (1985) points out that during the 1950s the Northern Administration Branch (NAB) evolved into a veritable provincial administration, adding various new divisions through the 1950s. The NAB went from three divisions in 1954-55, to 7 divisions in 1966-67 (DNANR Annual Report, 1954-55 and 1966-67). NAB's major period of growth began in 1956/57, with NAL expenditures increasing from $6.6 million in 1955/56 to $53.4 million in 1966/67 (Clancy, P., 1985 p 322). A good deal of the early increases in expenditures of NAB went to social infrastructure, such as school construction (see Appendix A Table/Graph 19 p 176). In 1959 the reorganization was completed, with the creation of a Industrial Division with responsiblity for small scale industrial projects (Ibid., p 323).

Zaslow (1988) points to the growing interest and rapid growth of the federal government in the NWT during this period with:

> The quintessential sign of the federal government's serious and growing interest in the North after 1945 was the rapid growth with the bureaucratic hierarchy of the agency charged with its administration. In just eight years it was transformed from a very lowly position within a large department of state to the leading role in a department created expressly for it in 1953; in only five years more, northern develoment was to be made the keynote theme of the federal general election campaign of 1958 (p 308).

As NAB grew, its various divisions placed personnel into the NWT. Clancy (1985) points out that the Northern Service Officers (NSO's), "emerged to assist socially dislocated Inuit peoples," and "they played an important role in facilitating the shift of land-based Inuit into a settlement orbit in the 1955-56 period" (p 324). Zariwny (1977) observed that while no documentation exists on the successes and failures of the NSO's, "they were the first non-military public servants to take up residence en masse in the Northwest Territories" (p.

10). Zarwiny goes on to explain that, "though not officially noted as such, their objectives were to guide, train and educate native people in the politics and administration of local government, and to establish the simple bureacratic structures and processes which would allow natives to handle basic administrative tasks" (Ibid.).

With the reorganization of the Northern Administration Branch in 1959, NSOs became area administrators. Zariwny (1977) explains:

> This organizational change and the resultant new responsibility entrusted to the NSOs subordinated the education function to a lower priority, below that of their administrative duties. Consequently a rigid hierarchial and bureaucratic structure...was introduced to communities where initially traditional methods of flexibility, socio-political organization and consensus had governed the structure of decision making process (p 88).

By 1965, the Department of Northern Affairs and National Resources had approximately 1100 federal employees spread across the Northwest Territories. The federal departments with employees in the NWT by 1965 were: National Health & Welfare (173 employees); Transport (421 employees); Publics Works (28 employees); National Defence (354 employees); Justice; Mines and Technical Surveys (20 employees); Fisheries (16 employees); Agriculture (6 employees); Forestry; Post Office (38 emplyees); RCMP (123 employees); and the CBC (20 employees) (Carrothers Commision Vol 1, pp 27-46).

Between 1953 and 1966 federal government employment increased from approximately 250-300 employees to 2600 (Berger, T., 1988 p 153). Since the transfer of provincial type responsibilites from the federal to territorial government in 1967, the federal government has slowly reduced its workforce in the north from a pretransfer high of 2600 employees in 1966 to 1473 employees at the end of 1988 (Bureau of States, GNWT, 1989; see Appendix A Table/Graph 25 p 182). While DIAND continues to be the largest federal department in the NWT and the federal department that is directly responsible for northern people and their government, its one time domination of northern policy development has been eclipsed by events during the 1970s:

> Compelling evidence of DIAND's decline in influence came in 1980, with the announcement of the National Energy Program. This policy of major

> consequence for the northern political economy, was developed by a high-powered group of specialist from outside the traditional lead department in northern affairs, and in the absence of consultation with northern people or their governments (Abele, F., 1986 p 153).

While the National Energy Program (now defunct under the Conservative Government) was administered through joint responsiblities of DIAND and Energy, Mines and Resources "Energy was the dominant Ministry...and DIAND took responsibility for socio-economic affairs" (Ibid., p 154).

Turning now to the evolution of the territorial government, one finds that between 1905 when the present Northwest Territories was created by an Act of Parliament and the mid-1960s, the government of the territories was an arm of the federal government. It was not until 1951 that the provision was made to elect 3 Councillors to sit with what had been a strictly federally appointed Council, and it was not until 1975 that the Legislative Assembly became a fully elected body (Pielak, L., 1985 p 3). It was only in 1964 that the Commissioner of the NWT was made a full time position. Only two months previous to the Commissioner's postion becoming fulltime, the Northwest Territories Act was amended putting elected members of the Territorial Council in the majority (Ibid., p 5). Prior to the end of the 1960s, there was no Executive Council and the seat of government was still in Ottawa. There were only 50-60 territorial government employees and no municipal institutions in the NWT (Working Paper No. 5, Office of the Special Representative for Constitutional Development in the NWT, 1980 p 6).

Administrative responsibility for the Northwest Territories was the subject of an Advisory Commission (Carrothers Commission) set up by the Minister of Northern Affairs in 1965. The Commission was appointed in response to a unanimously adopted motion, to set up such a body, by the Territorial Council at Frobisher Bay in November 1964 (Report of the Advisory Commission, Vol 1, 1966). The Commission was charged with the responsibility of advising the Minister of Northern Affairs on matters related to the political development of the Territories (Ibid.).

On August 30, 1966 the Carrothers Commission presented its report to the Minister of Indian Affairs and Northern Development with the more outstanding recommendations as follows:

> 1. That government be established in the Territories.
>
> 2. That Yellowknife be made the capital.
>
> 3. That the Government structure include a Commissioner, Executive Council, Legislative Assembly, Departments of Economic Development and Finance, Local Government, Education, Welfare and Social Services, Public Works, Justice, Lands and Resources and an Economic Development Board and a Economic Development Corporation (Vol. 1 pp 140-157).

It is interesting to note that the only recommendations that were not carried through from the above list were the creation of a Economic Development Board and a Economic Development Corporation. The consultants who prepared the background economic study for the Carrothers Commission recommended that a Development Board be "regarded as fundamental to an effective Territorial Development Policy" (Hedlin, Menzies & Associates Ltd., 1966 p 34). The function of the Development Board, according to the consultants report, "would be to undertake or sponsor research into the physical and human resources of the Territories and to engage in development projects" (Ibid., p 42). The critical importance of the territorial state taking a leading interventionalist role in economic development and employment creation through various policy measures, spearheaded by a Development Board, is made very clear in the Hedlin, Menzies report:

> The employment and income gap that looms ahead is little short of frightening, with the total population expected to increase by 35 per cent in the next ten years and with a far higher percentage of the total labour force being composed of relatively better educated and trained people, who for ethnic and economic reason will remain highly immobile. It is no longer enough for government policy to assume the needed jobs will be created. Public policy must assure their creation, and because of the immobility of the labour force the jobs must be created in the Northwest Territories (p 8).

One major outcome of the Carrothers Commission was that administrative responsibility for the Northwest Territories - that previously had been performed in the Mackenzie district by the field staff of the Northern Administration Branch of Indian Affairs and Northern Development - was transfered to the territorial government on April 1, 1969

(Pielak, L., 1985 p 9). Within a period of three years (Yellowknife became the capital May 1, 1967) major provincial-type responsibilities were transfered to the Mackenzie District, and in 1970, these same programs for the Keewatin district and the Eastern Arctic came under territorial control (Ibid.). By 1975-76, the territorial state had grown to 13 departments and 2965 employees (Zarwiny, A., 1977 p 18). A decade and a half later, in 1989, the territorial state had expanded to 16 separate departments, numerous secretariates and directorates, and over 5000 employees (Main Estimates 1989-90). The following table represents in chronological order the transfer (devolution) of provincial-type responsibilities from the federal to the territorial state between 1967 and 1988:

1967	Naming of Yellowknife as capital
1969-70	Mackenzie and Eastern Arctic take-overs: - Education - Social Assistance - Municipal Services - Local Government - Public Works - Development of Small Industries - All matters of a private or local nature
1971	Workers Compensation
1973	Administration of Justice (excluding Attorney-General)
1974	Low Rental Housing
1976	Sports Fishing
1978	Income Tax
1978	Territorial Elections
1981	Mining Safety
1982	Frobisher Bay Hospital
1984	Road Construction
1986	Nursing station and Health Services (Baffin Region)
1987	Forestry and Fire Suppression
1988	Health Western Arctic

(Office of Devolution, GNWT, 1988)

As can be observed from the above transfers, it was during the first few years following Yellowknife being made the capital of the NWT that the bulk of the department transfers took place and "transfers of administrative responsibilities all but ceased during the 1970s, as negotiation of comprehensive land claims held centre stage" (Abele, F., 1989 p 6). Abele argues that it was the revived interest in transfering governing responsibilities to the NWT by the new Conservative government in Ottawa after their 1984 election victory that partially explains the most recent transfers. "On the one hand, devolution was portrayed as an aspect of the overall government project to reduce the size of the federal state and federal expenditures; on the other, Crombie expressed support for enhanced northern self-government" (Ibid.).

Whittington (1984) has argued that four distinct characteristics define the territorial state's growth since the late 1960s:

> 1. Because of the vast distances the cultural differences and the avowed political will to have a government that is close to and responsive to the people in the communities, **decentralization** is a theme that consistently appears in the bureaucracy of the NWT.
>
> 2. Similarly, because of the cultural distinctiveness of the peoples of the NWT, a significant goal of the public administration in the north is the **indigenization of the bureaucrcy.**
>
> 3. A third set of features which has to to with the fairly rapid devolution of political power from the federal to the territorial government is a distinctive pattern of **departmentalization** in territorial bureaucracy.
>
> 4. Finally, although the trend is a bit later here then in other Canadian jurisdictions, the GNWT is currently in the throes of **professionalization** of the public service (pp 242, 243).

With our focus here being on the role of native people in the territorial economy, it is important to note here that the trend towards increasing devolution from the federal state and the decentralization of programs and services from Yellowknife to the Regions, and the indigenization of the territorial state, represent the larger structural changes that brought government wage employment opportunities to native people. The first trend, devolution and decentralization, have brought state employment to the community level. The second trend, indigenization of the territorial state, has evolved into a formal mechanism to accelerate the incorporation of native people as state employees. This latter trend (indigenization of the territorial state) will be discussed in more detail in Chapter Four: Natives and Wage Employment.

In summary then, one of the most distinctive features of the evolution of the federal and territorial state during our study period is the decline in importance of the federal state beginning in the late 1960s and the rapid growth of the territorial state. Another distinctive feature defining the evolution of the territorial state is the increasing incorporation of the north's native people into wage employment positions within the public service.

Northern Development Policy Since 1945

This section will outline the defining elements of federal development policy, or their accumulation strategy, in the Northwest Territories as if evolved after 1945. By the late 1970s, the newly created territorial government, headquartered in Yellowknife, began to release (corresponding to changes in Assemblies) what has been a series of strategy documents intended to outline the overall strategy of territorial government. These documents will be examined to determine the territorial government's approach to developing the northern economy in general, and the role they saw native people playing in this economy.

The first phase in the evolution of state development policy in the Northwest Territories ended following World War II. Up until this point the state followed a "developmental lassez-faire approach" (Rae, 1968 p 345). Rae elaborated on this point with:

> Public policy left to the functioning of free markets the process of determining which northern resources would be developed. In so far as this involved the exploitation of mineral resources, such an approach promised that those who were attracted to the area from outside would have an appropriate living because the income that attracted them would maintain them, or if development proved to be only a temporary one, they would go back to where they had come from. So far as the aboriginal

> population of the area was concerned, it seemed that the development of the areas's fur resources had already provided a basis for maintenance (Ibid.).

This same non-interventionist role on part of the state in the north prior to the end of World War II was also evident in the area of welfare and education (Ibid.). The Hudson's Bay Company provided native people with cash income while the churches provided education and some elements of welfare. In terms of food and shelter, native people were left largely to obtain these resources from nature (Ibid., p 346). Rae argues that in terms of education "the curriculum of the mission schools... was not designed to train Indian or Eskimo children for modern economic life inside or outside the north and the level of school attendence was such that few received even what education the mission schools could provide (Ibid., p 351).

This first phase of a northern developmental policy - leaving the north's native population to the vagaries of the market place and the inadequate resources provided by the Hudson's Bay Company and the Churches - shifted in the post World War II period. Clancy (1987) suggests that the decline in the fur market in the late 1940s, together with Canada-wide new post-war social transfer programs that extended to the north, raised fear on part of policy makers "about the corrosive effects of the welfare state on a 'simple' society" (p 192). As well, reports of starving aboriginals, particularly Keewatin Inuit, triggered a policy review in the late 1940s known as the Cantley report of 1950 (Ibid.). The Cantley report set off a new era in northern development policy that insured that, "questions of state intervention in economic structure, as well as social, educational and health services ... dominated the northern policy agenda during this decade" (Ibid., p 191).

Rae (1968) states that this new policy approach was distinguished by the following elements:

> 1. Federal government showed an increasing readiness to support private directly productive activities in the Territories;
>
> 2. It began to assume direct responsibility for welfare, and especially for native welfare, in the area (p 352).

Rae argues that this new interventionalist role of the federal state in the north was part of a "new and more active role being assumed by the federal government in Canadian economic and social life generally as a result of the special circumstances which had been created by the Depression and the War" (Ibid.). More specific to the north, this change in policy resulted in the creation of new state coordinating agencies and a new government department.

In 1948, the Advisory Committee on the Northern Development (ACND) was formed to provide "the mechanism for interdepartmental planning and coordination of federal policies and programs pertaining to the Canadian north" (Abele & Dosman, 1981 p 430). In 1954, federal administration in the north was reorganized under a new Department of Northern Affairs and National Resources (DNANR). Another important mechanism for public policy in the north was the formation in 1952 of the Eskimo Affairs Committee, "which served as a special mechanism to deal with some major public policy issues affecting the barrenlands of the Northwest Territories" (Clancy, 1987 p 191).

With the coming to power of John Diefenbaker's federal Conservative party in 1958, a new more expanded priority was given to northern development. Coates (1985) described the early conception of Diefenbaker's "northern vision":

> When John Diefenbaker approached the Canadian electorate in 1958 with his "Vision" of a new Canada, he opened a new phase in the public consideration of the North. The Conservative leader called on Canadians to cut the umbilical cord which tied them to the United States and to cast their eyes northward. This vast, undeveloped land, he argued, held the key to Canada's future.
>
> In its early conception, the plan included a massive northern road building campaign to provide access to resources, aid for new railways, scientific exploration in the Arctic, and a development scheme for the town of Frobisher Bay on Baffin Island (p 54).

Diefenbaker's "Northern Vision" should be understood in the context of an unprecedented optimism on part of the state and capital in the economic growth potential of the N.W.T., a growth fueled by the exploitation of mineral and oil and gas resources. During a Territorial Council Session in January of 1956, a prediction was made that the economic growth of the N.W.T. during the next five years would be greater than in any period since the N.W.T. became part of Canada (Votes and Proceedings, January 16, 1965 p 1). To insure the maximum growth potential was realized it was suggested that transportation facilities were required in order that private capital might be able to market their products (Ibid.). The most urgently required transportation infrastructure was argued to be a railroad to the south shore of Great Slave Lake (Ibid.).

Rae (1968) suggests that Diefenbaker's "Northern Vision" was significant in that it represented a new phase of state intervention in the economy in which public investment in infrastructure capital could be used to lead the private sector "in directly productive activity and thereby promote a more rapid rate of resource development than private firms responding to market forces could achieve on there own" (p 356).

Judd (1969 b) considers 1958 as the year in which Canada's northern resource administration began to undergo important changes. "With the benefit of hindsight it is possible to see certain new directions in northern policies from 1958 onwards which had either not been suggested between 1947 and 1957 or which had remained on paper only as plans" (p 802). The first of these new directions was an official admission that the north's Inuit people would "not be able to live off the land and aspire at the same time to a southern standard of living which the government was promising to give them as a right of citizenship" (Ibid.). The only answer was to incorporate the Inuit into wage employment "made available by some massive increase in the exploitation of northern mineral resources" (Ibid., p 803). Judd argues that this approach to Inuit employment, formulated in the late 1950s, "is now regarded almost as a panacea; the ultimate solution to northern poverty" (Ibid.).

The second element to northern policy in the late 1950s involved new economic policies that were implemented on a scale unprecedented in the post-war period. The first of these was the building of a railway from northern Alberta to a new lead and zinc mine at Pine Point, on the southern shore of Great Slave Lake.

Clancy's 1987 study on the building of the Pine Point Railway suggests that this project represented a policy shift towards greater state intervention in support of private sector economic activity in Canada's north. While negotiations began before Diefenbaker came to power in 1957, "the political context changed dramatically in 1957 with the election of the Diefenbaker government" (Clancy, 1987 p 470). The financial terms were rapidly concluded, and the railroads owner's (CPR) exposure limited to less than one-sixth of the total cost (Ibid.). Clancy asserts that the nearly $100 million federal contribution to the construction of the Great Lake Railway and related infrastructure in support of the Pine Point mine "represented a remarkable state subvention for the direct benefit of a single enterprise" and "also marked the first time that the northern Territories merited such extensive state support for the purpose of economic development" (Ibid., p 451).

Judd (1969 b) argues that not only was the Pine Point mine and Great Slave Lake Railway project important in itself but it represented a new kind of project for the north. "It was large enough and complex enough to require professional skills ...(on a scale)... never before needed" (p 803). As well, in terms of the increasing role of the state in the northern economy "from 1955, when the first proposal was put forward to a Royal Commission, to 1962, when construction began, the Department of Northern Affairs and National Resources was closely involved in the entire project" (Ibid.).

Another important northern project that reflected the shift in northern policy and increased state intervention in northern development was the Roads to Resources programe proposed in 1958 and implemented in 1965. "It was to be roads, and these "development roads", as they were called, were a new departure in northern planning because they were not intended to be roads to specific places or to sites of proven profitable resources" (Judd, 1969 b, p 804). Judd explains that these were roads to open up the northern country and represented, in terms of northern policy, long-range economics and short-range advantage which were to be ingredients of planning (Ibid.).

In 1958, an application was made to the Department of Northern Affairs to prospect for oil in Canada's Arctic Islands. This application prompted the federal government to devise oil and gas regulations for the High Arctic, and as well, they commissioned a research study to look into the economics of oil and gas in the Northwest Territories, "the first detailed study of any major potential resource in the north" (Judd, 1969 b p 804).

Abercrombie (1970) outlined a number of cost sharing programmes administered by the Department of Indian Affairs and Northern Development, incentive programmes earmarked for private resource capital, and intended to induce investment in northern exploration and development activities. These incentive programmes reflect the federal government's new interest and interventionalist role in northern development in the early 1960s. The major programs included a northern roads assistance program for the construction of tote roads, initial access roads and permanent access roads to approved resource development projects. Secondly, there was a Northern Resource Airports Programme to assist in defraying the cost of exploratory and preproduction airports in the north. Thirdly, a Northern Mineral Exploration Assistance Programme was made available to encourage the investment of risk capital in mineral and oil and gas exploration (p 79). Abercrombie concludes that "pump priming programmes of this nature have little meaning to the oil and gas industry in the north, ...if government wants to induce real development they are going to have to undertake public service programmes on a much larger scale, such as major road building" (Ibid., p 80). Referring to the federal governments 1965 Roads to Resources Programe, Abercrombie commented that this programme "is quite significant in that it recognized for the first time the need for an organized and integrated approach rather than the potentially haphazard pattern which could result from the previous piecemeal, project-by-project approach (Ibid.).

In response to increased oil and gas exploration activity in the Canadian Arctic in the late 1960s, the concerns native people had with this type of development, and the threats to the environment and sovereignty, the federal state, in March 1972, announced a new northern development policy (McDermott, P. 1985; Moore, M. and G. Vanderhaden, 1984; Abele, F. and E. Dosman, 1981; CARC, 1979; and Dosman, E. 1975; and Government of Canada, 1972). Canada's North: 1970-1980, reordered northern priorities by placing social concerns as number one priority, followed by environmental and economic concerns. This policy continues to form the basis of federal development policy in northern Canada (Moore, M. and G. Vanderhaden, 1984).

Canada's North listed the following 5 priorities for the period 1970-1980:

1. To put into rapid effect the agreed Guidelines for Social improvement.

2. To maintain and enhance the natural environment, through such means as intensifying ecological research, establishing national parks, and ensuring wildlife conservation.

3. To encourage and stimulate the development of renewable resources, light industries and tourism, particularly those which create job and economic opportunities for native Northerners.

4. To encourage and assist strategic projects (key to increased economic activity in the region or territory with solid economic and social benefits) in the development of non-renewable resources and with joint participation by government and private interests as generally desirable;

5. To provide necessary support for other non-renewable resource projects of recognized benefit to Northern residents and Canadians in general.

Priority number 1 contains the following seven guidelines:

1. To create employment opportunities for native people in both the private and public sectors;

2. to provide intensive training, including on-the-job training for native people in the public and private sectors;

3. to intensify educational opportunities among the native poeple to create a cadre of skilled professionals in all fields;

4. to bring native people into executive and managerial positions "even at the risk of higher cost and some mistakes."

5. to improve mechanisms for effective consultation between native people, industry and government; for social and economic development of the bands; and for the hearing of grievances;

6. to maintain, as far as possible, traditional pursuits;

7. to create effective counselling services and "closest liason with industry and effective cooperation as a group on the part of all government departments and agencies concerned with people programmes;"

8. to strengthen communication links with the south;

9. to improve transportation links with the south;

10. to safeguard the culture of native peoples in the North (Dosman, E., 1975 p 96-97).

While Canada's North stressed that government objectives had been altered, moving "from defence to people programmes, from resource development to ecological problems" (Dosman, E., 1975 p 96), the reality according to a Canadian Arctic Resources Committee (CARC) publication of 1979, has been that "despite this reordering, development characterized by short project life, little involvment of native people, or temporary assimilation of natives, into the wage economy to the detriment of traditional lifestyles continued to be the norm" (CARC, 1979 p 4). Further, "there has been a profound lack of internal consistency in stated policy objectives, actual goals, and the policies, and programmes that have been implemented" (Ibid.). That is, while Canada's North placed social improvement of northern natives and the encouragement of renewable resource development at a higher priority than non-renewable resource development, the record shows that far greater amounts of state money has been transfered to resource capital (oil & gas and mining industries) than towards the employment and training of natives and the encouragement and stimulation of the development of renewable resources (see Chapter 3: Natives and the Wage Economy and discussion further on in this section). McDermott (1985) points out that despite the fact that the first four guidelines of Canada's North focused on the creation of job opportunities and the improvement of employment and education training opportunities for northern natives, Canada's North "was not accompanied by any new initiatives to provide training" (p 40). It is interesting to note that although native people were primarily concerned with the protection of their traditional economy and lifeways, "these issues were ranked sixth and tenth in the Guidelines for Social Improvement and nowhere in the document can there be found any mention of native land claims" (Ibid., p 39).

If there has been a "notable reordering of federal priorities" since the Liberal Government's 1972 Canada's North, it is found in a June 1988 Conservative Government's framework document, A Northern Political and Economic Framework (NPEF). NPEF lists four objectives towards "strengthening of political and economic institutions in Yukon and the Northwest Territories" (p 5), concerning devolution; settlement of land claims, (an element not contained in Canada's North); strengthening territorial economies; and reinforcing Canadian sovereignty. While much has been written since 1972 on the four objectives, the particular concern here is the approach towards native people's role in the northern economy.

Sixteen years after Canada's North, NPEF recognizes that the "unemployment rate among native northerners, at 50 per cent is some communities, is one of the highest in Canada (p 11). Further, "the possibility of replacing non-native employees with native northerners, thereby decreasing unemployment among native people, is limited by low educational attainment and the wide dispersion of native settlements" (Ibid., p 12). In terms of the federal governments long standing emphasis on promoting oil and gas and mining activity as the key employment generators for northern natives, NPEF has this to say:

> During the past two decades, mining and oil and gas have been particularly important sources of income and employment in the territories. However, world market conditions have now changed so greatly that the major resource industries cannot be expected to generate the activity they have in the past. Other industrial sectors such as tourism and renewable resources may be able to take up some of the slack but they are, for the most part, greatly underdeveloped relative to their potential. For the next several years, native northerners will likely be unemployed or work only occassionally in a shrunken labour market. While many native people can place increased reliance on hunting and fishing for food in times of reduced employment, most can no longer pursue these activities without cash incomes from wage employment (Ibid.).

While recognizing the high native unemployment rates/low native educational attainment problematic, and the shrinking opportunities for employment in mining and oil and gas industries, no new programs are put forward to create alternative forms of employment. Further, respecting hunting and fishing, NPEF emphasizes the commercial use of bush food. "The commercial use of renewable resources could play a larger role than it has historically" (Ibid., p 13).

Over the past 10 to 15 years the territorial state has increasingly become a crucial player in the evolution of northern development policy (Abele, F., 1988 p 127). Abele (1988) describes two important trends in the development of the territorial state as this is reflected in the evolution of territorial development policy:

> 1. A growing recognition of the importance of the native population. This is reflected in the fact that since 1979, the majority of seats in the Legislative Assembly have been held by native people. Many of these native held seats have been prominent roles as members of the Territorial Executive (Cabinet).
>
> 2. The extension of power through the devolution of responsibilities from the federal to the territorial government (pp 127, 128).

Within the above context a number of earlier GNWT strategy documents are reviewed and this is then followed by a brief look at the 1989 Special Legislative Committee report on the northern economy (SCONE), and finally, the territorial government's most ambitious effort to date in the area of economic development policy, a multi-volume strategy that provides "a government-wide framework for a number of economic initiatives, aimed at dealing with economic problems and opportunities," (Economy in Transition: An Agenda for Action 1990 p 3), is reviewed. These documents, beginning in the mid-1970s and moving through to early 1990, are particularly relevant as indicators of the orientation and thrust of economic development policy as it has emerged from the territorial state during this period.

The first document, Priorities for the North 1977, was developed as a submission to the Honorable Warren Allmand, Minister of Indian Affairs and Northern Development for inclusion in his Northern Policy statement. The preamble to this document explains that an historic meeting took place in Ottawa on March 11 of that year, where the Minister of DIAND invited the Legislative Assembly to contribute to the formation of northern policy. This represented an "unique recognition by the Government of Canada of this Legislature's position under the constitution of the Northwest Territories as the principal political body in the North, duly elected and representative of all people in the Territories" (p 1).

It seems clear from an analysis of Priorities for the North, that during the 1970s, territorial government policy regarding economic development and the role of native people in the territorial economy was in line with the federal government's policy as outlined in Canada's North: 1970-1980. "This legislature is committed to completing certain objectives outlined by the former Minister, Honourable Jean Chretian, in his report on the Governments' "Northern Objectives...in 1972" (Priorities for the North, 1977 p 4).

In the area of economic development, the Priorities for the North document states that the long-term economic development of the Northwest Territories "almost certainly will depend on the further exploitation and utilization of its natural resource base" and "...the primacy of resource development and the particular immediate need to stimulate the large-scale, non-renewable resource industries such as metal mining and the fossil fuels..." (pp 8, 9). Further, the development of mining and oil and gas should be undertaken predominately by private capital and these industries must be actively promoted in order to "expand sufficiently to provide employment opportunities for the growing population of the area" (Ibid., p 8). While this strategy document recognizes the importance of hunting and trapping, the approach implied emphasizes the commercial aspects of hunting and trapping. It is worth noting that the territorial government was at this time still run by a colonial minded Commissioner (Stu Hodgson). For instance, the government officially viewed the Berger Report as "...pure NDP dogma. Socialized economics. Back to the land - modernize hunting and trapping. He (Berger) feels that a wage-based economy creates unemployment and implies that full employment only exists if an economy is not wage-based" (You've heard from the radical few..., Legislative Assembly of the NWT, 1977, p 7; as stated by MLA David Searle).

Six years later (1983), with a Legislative Assembly more sympathetic to native concerns and made up of a majority of native representatives, the Executive Committee of the Legislative Assembly tabled a new strategy document on northern development in an effort to provide greater clarity and unity of purpose. Priorities attempted to present a development framework that would "enable the government to strike a reasonable balance between the demands for economic and social change in keeping with contemporary society and the demands to preserve traditional social and cultural values and life styles" (p 3). It recognized a gradual increase in the employment of native northerners in the wage economy, but also pointed out that the majority of Inuit and Dene continue to rely on traditional economic activities. In pointing out the importance of the traditional economy, Priorities states that the "Northwest Territories productive economic base includes renewable and non-renewable resource sectors and the income earned in these sectors determine the general well-being of the economy" (p 29). This document, unlike the 1977 Priorities for the North document, recognized and gave weight to the idea that while the traditional economy is not large in terms of dollar value "it contributes more to the welfare of Territorial residents than the dollar value in sales might indicate" (Ibid.). The government also stated in this document that they were negotiating socio-economic agreements with a number of mining companies to "insure substantial employment and business opportunities for northern residents" (Ibid., p 33).

Two years latter in February 1985, the Executive Council tabled a new Priorities document which reiterated the need to stimulate the employment of native people and to promote the development of the renewable resource sector. Under the heading, Priorities for Economic Renewal, non-renewable resources is placed last, behind native employment and renewable resources. While both the 1983 and 1985 Priorities point to the significance of the traditional economy, an analysis of the territorial government's Outpost Camp program and Trappers Assistance program expenditures during the years 1983 to 1988 shows an increase from $820,000 to $1,039,000. Accounting for an average 5% annual inflation rate during this period, there was no increase in real dollars for these two programs (see Appendix A Table/Graph 24 p 181). During this same period of time, 1983-

1988, social assistance payments increased from $9.2 million to 19.6 million, a 113% increase before inflation and a 88% increase after inflation; and UIC payments increased from $14.4 million to $20 million, an increase of 38.8% before inflation, or a 13.8% increase after inflation (see Appendix A Table/Graph 44 p 202). The overall Native unemployment rate remained basically unchanged between 1984 and 1989 at 30% (Bureau of Statistics, 1989 p 21).

In February 1988, the Executive Council tabled a new strategy framework, Directions for the 1990s, which states that economic development is the number one priority into the 1990s. This document is presented as "a starting point in laying out our government's long-term goals" (p 13). There were no major changes from the 1985 Priorities document concerning the role of native people in the northern economy except for two points. Firstly, the government is now working with the federal government "to find ways to use welfare funds to create an income support system for them (hunters/trappers) so that a career on the land is a viable option, not a last resort" (Ibid., p 4). Secondly, it appears that the territorial government has come to the conclusion that new job creation will not meet the employment needs of native northerners and "northerners must be better prepared to take advantage of the existing jobs now held by southern residents" (Ibid., p 5). Further, "we will identify existing jobs in mining, transportation, communication and the hospitality industry, now held by southern residents, which Northerners could be helped to fill" (Ibid., p 4).

It is also worth mentioning that, in terms of the traditional emphasis on mining and oil and gas, Direction for the 1990s adopts a rather cautious approach stating that, "we should not rely heavily on it for stable long-term development as too many factors outside our control make this sector prone to boom and bust cycles" (p 4). The document concludes with the statement that an important element to completing these long-range economic goals will be the participation by the Legislative Assembly's Special Committee on the Northern Economy (SCONE). The terms of reference of SCONE were as follows:

1. inquire into such matters as may be referred to it by the Legislative Assembly;

2. inquire into current problems and public concerns related to a viable northern economy and the development of an economic strategy and plan;

3. present interim reports to the Legislative Assembly from time to time and a final report by the fall sitting in 1989 (SCONE, Fort Smith p 3).

SCONE adopted a two pronged strategy to carry out its mandate. The first was to hold a series of public meeting in each of the 24 constituencies to get suggestions and recommendations from the public at large, and from special interest groups. Secondly, SCONE commissioned six special studies to be carried out by northern and southern consultants. These studies looked at the following areas of the northern economy:

1. Public and private sector training programs.

2. Programs and services delivered by the Department of Economic Development and Tourism.

3. A review of the Native Employment Policy and the work of the Equal Employment Directorate.

4. The impact of land claims on the economy.

5. Support for the traditional economy.

6. Sustainable development (SCONE, First Report, 1988).

SCONE tabled its final report Building our Economic Future, during the fall Session 1989 of the Legislation Assembly. No debate followed the tabling of this report. What impact this committee and its recommendations will have on territorial government's economic development policy is questionable. To date (March 1990), the SCONE report has yet to be discussed in any detail in the Legislative Assembly, although it is currently an agenda item to be taken up by the Committee of the Whole once the territorial government's budget and legislation are dealt with.

The SCONE report is a 76 page document, divided into 7 chapters, with the last chapter containing 29 strategic recommendations. The most interesting aspect of the report, outside of the recommendations, is found in chapter three. Here the committee begins by asking the question: Does the government of the Northwest Territories already have a basic economic development strategy? If they do, how well is this strategy working? The committee was told by the Department of Economic Development and Tourism that the government did indeed have a basic strategy. "It was to create economic development through business development, especially small business development" (SCONE, p 21). When asked if the strategy was working the committee was told the following: "It was working well in some communities, they told us - the larger, more developed communities - but it was not working very well in the smaller, more remote communities" (Ibid.). Following this understanding the committee looked closer at why the strategy was not working in the smaller communities and came up with an analysis that divided the north up into two different kinds of communities: the developed and underdeveloped communities.

While the committee may have inadvertently appropriated a neo-Marxist concept, namely "underdeveloped", they have brought to light the way capital develops unevenly on a world scale, and specifically, how the northern state's emphasis on non-renewable resource development and small business development has supported and encouraged the uneven concentration of capital in the north. The SCONE report lists seven communities in the developed category: Yellowknife, Hay River, Fort Smith, Inuvik, Resolute Bay, Norman Wells and Nanisivik. While these communities are not identical "they are either regional centres (administratively, or for the purposes of commerce) or they are resource communities (Ibid., p 22). On the other hand, "all the rest of the communities in the NWT - some 46 of them - can be classified as underdeveloped. They are mostly smaller, more isolated communities. In terms of jobs and wages, they have very high levels of unemployment - much higher than the national average. Wage levels tend to be significantly lower than the national average" (Ibid.). As well, underdeveloped communities, populated predominantly by native people, contain few people who "have completed high school and most have not completed Grade 10. There is a very high illiteracy rate" (Ibid.).

The report then lists four reasons to explain why the government's business orientated economic development strategy has "failed as a viable economic development strategy in the underdeveloped communities" (Ibid., p 23). The four reasons given are:

> 1. A business development strategy does not develop people. It develops businesses. It assumes that people have the basic education and skills they need to take on the responsibilities of running a small business.
>
> 2. A business development strategy needs people with an entrepreneurial tradition. There must be a core group who know what it means to set up and run a business. ...In small northern communities, among the native population, only about 3% have ever ventured in this direction. The lack of entrepreneurial tradition is a real obstacle.
>
> 3. To succeed, a business development strategy needs the right combination of economic conditions at the local level. ...Business development requires a fertile economic soil: a large enough population base to provide market potential, access to capital, access to business support services - especially financial services, and there must be economic opportunity. In many small communities these elements are simply not there. Thus, business development is not really a viable economic development strategy.
>
> 4. Business development can't stand alone. Even in the underdevelopment communities, it can be an essential component of economic development. But, it must be part of a more integrated approach - one that combines education, training, social services, development of support services, co-operation between the public and private sectors, coordinated approaches (Ibid., pp 23, 24).

Before turning to the SCONE report's recommendations, a few comments on the above four points seem in order. Firstly, on the surface it seems quite incredible to think that after 40 years or so of a northern development thrust that has emphasized non-renewable resource development and, most recently, small business development, the state is just now recognizing its shortcomings in terms of the vast majority of the north's aboriginal population. Secondly, as will be seen more clearly further on when we look at the recommendations of the report, what the authors of the report are implying here is that if the state can only increase the level of education of native people and somehow instill an entrepreneurial spirit (read capitalist ethic) then a business strategy will be far more successful in the small native communities. We are reminded here of an insight related to by Peter Jull (1988) in his study Lapland: The Native North in Norway. Jull cites Harald

Eidheim's study Aspects of the Lappish Minority Situation, and his analysis of how non-native Norweigians in Lapland have abused northern native inexperience "to build a local power base at the expense of aboriginal interests..." (Jull, P. 1988 p 78). Jull goes on to say that

> By inculcating fear and doubt based on his bluff vision of things, however inaccurate that view, this "entrepreneur" persuades the native population to support a system which empowers himself (and, he promises, enables him to protect them from the dangerous and complex world outside) and keeps them weak and timid. This sort of domination is typical in northern Canada as well as Norway, and many other places. It enable outsiders to neutralise the political potential of indigenous peoples, even where they are a population majority" (Ibid.).

It goes without saying that the fraction of the power block represented by non-native small business interests, particularly outside of the developed communities, has changed its tune only in so much as they realize now the ~~political~~ importance of involving native people at all levels of their business holdings and joint venturing with the growing number of native development corporations (for more on this point see Chapter Four and the section on Co-operative and Native Development Corporations).

The majority of the 30 recommendations, according to the authors of the SCONE report "respond directly to the development requirments of the underdeveloped communities. But they also respond to the needs of the developed communities" (SCONE report p 53). The recommendations are divided into three categories: People Development, Policy and Program Development; and Organizational Development.

The first category, People Development, contains 5 recommendations relating to increasing the educational level of native people. "In terms of the future of our economy, the failure of our students to get a high school education is our single most serious problem" (Ibid., p 54). The second category, Policy and Program Development, contains the bulk of the recommendations - twenty. The latter recommendations range from concerns with the environment ie., implement a Sustainable Development Strategy; the need to create and implement a Wildlife Harvesting Support Program; social concerns ie., the need for more day care spaces in the communities so more women can enter the labour force; and 11 recommendations aimed directly at promoting more local (read native) involvement in business development and wage employment ie., review GNWT business practices to provide more business opportunities for local communities; allow communities to negotiate contracts over a five-year period; ensure that individual communities have greater control over their local resources; develop and implement an import substitution strategy; develop and implement a regional development strategy; help extend banking services to more communities; develop a support program for arts and crafts; recognize co-ops as small businesses with training potential; request the federal government to establish a personal and corporate tax regime for northerners and; request the federal government to provide the mineral explorations industry with tax incentives for exploration (Ibid., pp 54 - 68). The recommendations relating to increasing the educational levels of native people are seen largely from the point of view of low education levels being a major impediment to the expansion of capitalism and wage labour in the so called underdeveloped communities.

The third category, Organizational Development, contains 5 recommendations. These recommendations relate to improving inter-governmental coordination of policies and programs of the GNWT ie., set up a permanent Cabinet-level committee for economic development as "at present, government's economic development strategies seem to emanate from the Department of Economic Development and Tourism. They are very narrow in focus, limited to the mandate of the department, and concentrate almost exclusively on small business" (Ibid., p 66). SCONE sees the need as well for a permanent cabinet-level committee for social development as "one of the major problems we encountered in our study was a significant gap between economic development and people development. As we've noted often, there can be no economic development without people development" (Ibid., p 67). There is a recommendation to establish a state economic development agency that would "attempt to foster economic development and coordinate federal economic development initiatives..." and "...besides supporting the development of small businesses on a territory-wide basis, it would have a strong developmental mandate - helping local communities and regions develop their economies" (Ibid.). This is one recommendation the government has been working on over the past year. It was announced in the Budget Speech in February 1990 that the Northwest Territories Development Corporation is scheduled to be established April 1, 1990. "The Government has allocated an initial $2 million in investment capital to the Corporation in 1990-91. The Corporation forms one part of the Department's economic development strategy, aimed at employment creation and stimulation of the economy" (Budget Speach, 1990-91 p 6). The Development Corporation will allow the GNWT to "actively participate in business development, either as the sole investor, or by providing equity capital in joint ventures with the private sector" (Ibid.). Although it is too early at this time to know what specific projects the Development Corporation will invest in, the overall direction of state action in this area, according to Jessop's "typology" of state intervention, is that of support of particular class structures. That is, the Development Corporation is to be used as a vehicle to provide public credit or finance for designated sectors or enterprises in the northern economy, either as a sole investor or equity participant. As Head (1982) explains "it should be noted that 'supportive' policies are here understood as responses to explicit demands by particular sectors of capital and regional interests; there is essentially a partnership between the state and capital in the name of economic growth and the public interest" (p 49). In the discussion that follows concerning the government's most recent set of economic development strategy documents, more will be said about the northern state's role in economic development in the northern economy. We turn first to a few summary comments on the SCONE report.

While we have argued that the SCONE report is biased towards small capitalist enterprises at the local community level, to be fair to the authors of the report, it does go a long way towards recognizing that the present monopoly on economic development in the north has too long been housed in a decidedly capitalist orientated Department of Economic Development and Tourism. It as well recognizes the importance of the traditional economy and the need for further state support in this area. In short, the SCONE report does signal the potential for a shift in the area of economic development policy in the north - a shift towards a community based approach, albeit an approach that is decidely capitalist in nature.

The government has clearly payed attention to the findings of the SCONE report as evidenced in the most recent economic development strategy documents tabled during the Legislative Assembly's Budget Session in February 1990. Government Leader, Dennis Patterson, in introducing the governments most recent economic strategy had the following to say concerning the role of the SCONE report in the development of this strategy:

> Furthermore, it had to be generally consistent with the advice provided by the special committee on the economy through Mr. Lewis, Mr. Ernerk and Mr. Morin. We followed the path set by the special committee on the economy in defining the problems of the economy. However, the government's response had to go further and set out courses of action to achieve the results needed to address the problems (Votes and Proceedings, Feb. 19 p 164).

The perspective from the other side of the House (Ordinary Members), concerning the acceptance of at least the basic findings of the SCONE report by the government is found in a statement made by one of the Co-Chairman of SCONE, Brian Lewis (for an understanding of the structure and principles of the Legislative Assembly of N.W.T. see Graham White's 1989 paper in the bibliography). After having reviewed the government's February 1990 economic strategy documents: Economy in Transition: An Agenda for Action and Building on Strengths: A Community Based Approach (to be discussed below) he commented that (note: Lewis is addressing the Minister of Economic Development and Tourism, Gordon Wray):

> After I went through it I felt a mixture of disappointment because I was not going to be able to fight with him very much in this session; that I was not really going to have some kind of battle with him about different visions about where we were going. On the other hand I was very pleased because it is very clear that from the very first day that we began our work on the special committte on the northern economy, he was reading the

same kind of stuff that we were reading (Votes and Proceedings, Feb. 21, 1990 p 228).

While the following comments are made in the context of the SCONE report they are as relevant to the government's most recent strategic plans for economic growth and diversification. While the Ordinary Members, and those directly involved in the SCONE report, seem reasonably happy with the integration of many of the findings and ideas put forward in the SCONE report into the government's most recent economic strategic plans, the 'fiscal crisis' of the state puts into question the ability of the northern state to successfully take on the huge problems facing northerners such as native unemployment and illiteracy. It seems reasonably clear that given the territorial government's increasing dependence on federal financing, and the latter's obsession with "fiscal restraint", it is unlikely that any significantly new and expensive economic initiatives will be forthcoming.

In 1980/81, 64.8% of the GNWT's operating budget came from a federal grant, this dependency on federal grants increased to 74.2 % in the 1990-91 GNWT budget (Main Estimates, GNWT, 1980/81 to 1990-91). In December 1989, the federal government announced a new Formula Financing Arrangement with the territorial government, to come into effect April 1, 1990. Under the new regime transfer payments to the territorial government will be reduced by $110 million over the next five years. "Not only are these cuts damaging to the Government's fiscal position, and to our ability to respond to the pressing needs of our residents, but the new Formula contains serious flaws which will limit our ability to develop the northern economy" (Budget Address, 1990-91 p 3).

We now turn a discussion on the government's most recent economic strategy documents tabled in the Legislative Assembly on February 19, 1990. GNWT Government Leader Dennis Patterson introduced the new economic strategy with:

> The challenge of developing a plan to meet our economic objectives is daunting. Mr. Wray's business experience made him best suited to lead this task. Mr. Wray's instructions were to look at the role the government plays in the economy and to recommend ways to ensure that all Northerners who wish to participate in the economy and to share the benefits of economic prosperity, have ample opportunity to do so.

> The government strategy was to be comprehensive, containing objectives and principles which would become the foundation for the government's economic policy during the 1990s. In undertaking this task, it was necessary to study the effect the government has on the economy as a regulator, as an educator, as an investor, and as a consumer and employer. Finally, it was necessary to answer questions about where and what types of jobs are being created and how many Northerners are filling these jobs (Votes and Proceedings, Feb. 19 p 164).

The new economic strategy is contained in two separate tabled documents. The first, Economy in Transition: An Agenda for Action, is a 29 page document that "defines the government's economic policy in its broadest sense by articulating in the economic policy the principles, the goals and objectives which form a framework for a full range of interdepartmental initiatives. These initiatives will proceed on a timetable which is depending upon a number of factors and the availability of resources" (Votes and Proceedings, February 19, p 164). The second document, Building On Strengths: A Community-Based Approach, is a 62 page document that "outlines the Department of Economic Development and Tourism's developmental strategy for the next five years" (Ibid., p 165). Accompanying the latter document is a series of four sector strategies "integral to the department's strategy of building on strengths for arts and crafts, renewable resources, tourism and small business" (Ibid., p 164). The review and analysis that follows will concentrate on the document Economy in Transition: An Agenda for Action for it is in this document that we find the contours of the governments overall economic strategy.

Following some general introductory remarks the document states that in recent years "debate over economic policy has centered on the need for two economic policies: one for the traditional economy, and one for the wage-based economy. Unfortunately debate has often focused on differences between the two economies, often ignoring their interdependences" (Economy in Transition: An Agenda for Action p 6). What the Minister is getting at here, drawing from our theory of the economic base, is that capitialist and noncapitalist social relations coexist, not isolated or separate from one another, but rather as linked, interrelated components of, in our case, the northern economy. This is an important start to understanding how the modern economy in the north operates for it allows one to see how the modern dominant capitalist sector "on the one hand...undermines noncapitalist formations; on the other it serves to preserve, and some instances even extend, the noncapitalist economy" (Wood, C.H., 1982 p 264). As we go through the various components of the government's economic strategy the perspective taken by the author will be to analyze the strategies from two perspectives when appropriate: do the individual strategies on the surface appear to undermine or preserve the native domestic and petty commodity economy in the north? and; what typology, drawing from Jessop (1984) and Head (1982), of state intervention do the various components of the strategy seem to fit into?

The document lists 8 broad components of the economic strategy that the government believes will achieve a more balanced economy: 1. Preparing our people for the challenges of the future; 2. employment and income opportunities through business development; 3. maximizing impact of public expenditures; 4. improved participation of NWT residents in the economy; improvements in public and industry infrastructure; income security reform; sound fiscal management and; control over resources (p 21). Before turning to an analysis of the components of the economic strategy from the above two perspectives, we look first at Chapter Two of the document: Public Policy Options and Chapter Three: The Framework.

Chapter Two begins by pointing out that over the past thirty years in the north there has been two distinct approaches to developing the northern economy.

> The federal government concentrated upon developing the North's non-renewable resources. Incentives were provided for opening new mines. Another example of this policy was the National Energy Program. It had a significant effect on the exploration for petroleum resources.
>
> The territorial government pursued a different approach. Lacking the mandate and resources of the federal government, its resources were directed toward providing employment through small business development and, to a limited extent, developing infrastructure for industry and business (p 13).

The document points out, without any concrete examples however, that the blending of these two distinct approaches to economic development in the north were often not coordinated. The government now thinks it is "time for the government and the private sector to forge a consensus on the future direction of the economy" (Ibid.). Towards this goal, the document presents three traditional options used by other jurisdictions to promote regional economic development: 1. Urban Development; 2. Encouraging outside investment and; 3. Economic diversification. After briefly examining each one in turn the document arrives at the need for "a new policy for a new era," which in effect is to be "a mix of the best elements each option has to offer, tailored to meet our particular requirements" (Ibid., pp 14, 15).

The general outlines of this new policy seem to rest on the major assumption that if the state can improve the overall level of education and training of native people they will eventually migrate to where the jobs are: "...education and training of all residents will result in a gradual movement of people to jobs. The largest proportion of these jobs will continue to be in urban centres" (Ibid., p 14). We see is this policy thrust a clear articulation of the general historical development of capitalism in the north as a process in which an increasing proportion of aboriginal people are brought into production relations as wage labourers. In our case, this involves two aspects: their geographic migration and the provision of the material resources ie., education and training, to reproduce them as workers. The encouragement of outside capital to invest in the smaller native communities is hindered by the fact that capital requires certain conditions such as "...a surplus of trained people" (Ibid., p 15). As well, "limited public infrastructure or transportation facilities and higher operating costs than most locations in southern Canada, make relocation to isolated NWT areas an unattractive proposition for many private industries" (Ibid.). Government underwriting of infrastructure and transportation facilities plus "a continued emphasis on education and training will...make this option more viable in the future" (Ibid.). The assumption being again the importance of having on hand a surplus of trained workers for capital, and overall, the need for the state to intervene to prepare a favourable (read profitable) investment climate to lure capital to the smaller native communities. The third policy option, economic diversification, "is to broaden the economic base, increase participation in the labour force, and improve wealth distribution" (Ibid.). Again we have the assumption that if the state can only educate and train more native people and at the same time diversify the northern economy, a greater variety of wage jobs will beome available to native people.

Turning to Chapter Three, we find a presentation of the framework for the strategy, a framework that consists of goals, principles and main elements (Ibid., p 17). The goals and principles are based on the need for a mix of policy options. In short, the goals relate to increasing employment opportunities for native people and reducing income disparities and keeping more of the weath in the north. The principles involve continuing with the private sector as the preferred option for economic growth and development in the north and the need for the state to support and develop the conditions necessary in order for capital to expand in the north. The main elements of the strategy consist of six criteria "for developing and integrating future government policies and programs" (Ibid., p 18). The most interesting of the six criteria is the need to target communities according to their degree of integration into the production relations of capitalism. "The purpose of targeting communities is to recognize the difference among communities in terms of the resources and opportunities available and their level of development" (Ibid., p 19).

Northern communities are divided into three groups (the GNWT Department of Economic Development and Tourism developed this analytical scheme): 1. the developed market communities; 2. emerging market communities and; 3. resource communities. Group Three, the resource communities, contains the bulk of the communities (41 out of 61) and are not surprisingly predominantly native in population. Group Three communities, being outside the major concentrations of capital, are being targeted with literacy programs and tourism and arts and crafts, two industries based on the commercialization of the social relations of the traditional economy. The strategy for the 41 small native communities is sensitive to the fact that wage labour should not necessarily be full time and replace traditional pursuits, rather "the strategy centres on creating job opportunities which can supplement income from traditional pursuits such a hunting and trapping" (Ibid., p 19). It should be noted that the state knows that part-time work for most residents is all that can be realistically planned for given the massive unemployment levels and limited resourses. It is also interesting to note that as Wood (1982) has pointed out "in a rural area characterized by the simultaneous existence of more than one mode of production, labour power physically reproduced in a noncapitalist economy can enter into the circuit of capitalist production at a level of remuneration that covers only a small part of the total cost of the maintenance and the reproduction of the workers" (p 267). The point of this argument is that the preservation of semi-autonomous households that are compelled to work part-time when wage labour opportunities present themselves facilitates the expansion of capitalist enterprises "by serving as a source of "cheap" labour during period of peak demand. Labor power produced in a noncapitalist economy need only be remunerated at a level that covers the immediate sustenance of the workers while on the job" (Ibid.). This argument, as it would apply to the situation in many small native communities that rely on the domestic and petty commondity mode of production for food and clothing as well as part time work for exchange value, needs further research, albeit no doubt applies in many cases.

Turning to Chapter Four: The Strategy, we find 8 components that serve to direct the state's major economic initiatives. They are as follows: 1. preparing our people; 2. employment and income opportunities through business development; 3. maximizing the impact of public expenditures; 4. improved participation of NWT residents; 5. improvement in public and industry infrastructure; 6. income security reform; 7. sound fiscal management and; 8. control our resources.

The first component, preparing our people, is to be largely carried out by the Department of Education and involves combattng high illiteracy levels among native people and preparing northern residents for the wage labour market. As a form of state intervention, this is a facilitative measure and involves providing for the "minimal fundamental conditions for economic activity" (Head, B.W., 1982 p 48), by directing material resources into increasing the proportion of native people that are educated and trained and brought into production relations as wage labourers. In so much as this strategy increases the proportion of native wage labourers, it undermines the traditional economy. It goes without saying that this has been a fundamental policy of the state during most of our study period (1945 -1990).

The second component, employment and income opportunities through business development, consists of three elements:

1. The creation of a Development Corporation;
2. improved access to capital involving joint venturing with the Development Corporation, restructuring the Business Development Fund and the introduction of a new micro business lending program to provide small loans to self employed individuals to undertake full or part time work projects;
3. Buy north program.

This component of the strategy involves a supportive form of state intervention with the state investing directly in designated productive activities through a Development Corporation, and secondly, providing public credit or finance for designated sectors in the economy.

Head (1982) looked at the role of the regional state in Australia "as entrepreneur exclusively in its own right..." (p 43). The main reasons for the high level of state activity in Australian colonies in the late nineteenth century "was the relative weakness of private capital in Australia (by comparison, e.g., with the U.S.A.). Local capitalists generally lacked access to large investment funds, whether foreign or domestic, and also typically lacked entrepreneurial skills" (Ibid., 46). This situation was not based on some doctrinaire attitudes, rather "the state was seen as the only practical mechanism for 'getting things done,' largely owing to the limitations of private capital" (Ibid.).

While the territorial state was involved in the ownership of business enterprises during the 1960s and 1970s selling native arts and crafts, these were sold during the privatization wave that hit the north in the early 1980s (for more on these state owned enterprises see Chapter Four: p 101). The new policy approach on part of the northern state is to promote business development in the small native communties by setting up a development corporation to "overcome the limited access to capital" and "entreprenuerial skills" in these communities. In so far as these new business ventures are capitalist in nature and involve training native entrepreneures and hiring local native wage labour this will undermine the traditional sector. This conjecture is of course speculative in nature and one would have to analyze each individual investment to more fully comprehend its effects on the domestic economy.

The third component, maximizing the impact of public expenditures, seems again to be a form of supportive state intervention with the state altering the conditions of production through increasing the levels of purchasing by the state of goods and services from northern businesses. Government departments and agencies through a variety of policies are to increase their contracting with and purchasing from community and northern business interests, which on the surface, insofar as native businesses and native wage labour are involved, should have the effect of undermining the noncapitalist economy.

The fourth component, improved participation of NWT residents in the economy, concerns increasing the proportion of native people in the non-renewable resource sector. It is not clear where this form of state intervention would fit under Jessop's typology. The intent of this intervention however is for the state to exert pressure and develop northern benefits agreements with mining and oil and gas industries to maximize the hiring of local residents (see Chapter Four and sections on native people and the mining and oil and gas companies). Again, we have the state attempting to increase the proportion of native people involved in wage labour. This strategy, on the surface, should result in the undermining of the traditional sector.

The fifth component, improvements in public and industry infrastructure, in so much as this will involve the state underwriting dedicated infrastructure, falls into the category of supportive state intervention. There is a emphasis on the state making major expenditures on transportation infrastructure, and "in respect to industry development, the NWT Development Corporation will be an important tool for assisting industry in developing the required public sector infrastructure needed to maximize the commercial potential of NWT resources and opportunities" (Ibid., p 24). Since this component is dedicated to underwriting infrastructure for commercial potential, we can speculate that it has the potential to undermine the traditional sector.

The sixth component, income security reform, is concerned with the growing dependence of native people on social assistance. "We are committed to reducing the dependency on income assistance, while not jeopardizing the basic needs of people with low incomes or no work" (Ibid.). It is not clear to the author whether this component can be classified as a form of state intervention according to Jessop's typology. The government under this component of the strategy recognizes that the proposed Wildlife Harvesting Support Program is an important part of income reform (for more on state support of the traditional sector see Chapter Three and section: Bush Life in the 1980s).

The seventh component, sound fiscal management, concerns "primary factors in how the government's fiscal policy can promote economic development..." (Ibid.). This involves the northern state in establishing and maintaining a competitive taxation regime to attract labour and capital to the north. This form of state intervention is supportive in nature as it involves policies which ensure that the conditions of production are favourable to capital, or as the document says "overall taxation levels which will maintain strong incentives to work and do business in the Northwest Territories" (Ibid.). This particular component of the economic strategy is aimed at increasing capitalist economic activity in the north and related wage employment so one can assume that it will ultimately undermine the traditional sector.

The eighth component, control over resources, concerns the present inability of NWT legislators to have much influence over land and non-renewable resources that are under the jurisdictional control of the federal government. This area could involve different forms of state intervention once the territorial state assumes control (ie., greater influence in labour and business issues, regulatory and taxation issues etc.). It is not clear whether the transfer of control of non-renewable resources from the federal to the territorial state would undermine the traditional economy.

By analysing the northern state's most recent economic policy strategies, albeit very generally, it was intended to show firstly, the importance of the northern state as an independent agent in developing the northern economy and the various channels through which this intervention takes place, and secondly, to determine what the general contours of state development policy are and whether they will on the one hand undermine the traditional sector, or on the other hand, serve to preserve or extend the traditional sector.

If there has been a definitive shift in northern development policy since 1945, as it relates to the role of native people in the territorial economy, it was in the mid-1950s when both the federal government and Territorial Council decided that the traditional sector was "dying" or more critically, no longer economically viable, and the future role of native people would be that of wage earners. It is also clear that, beginning in the 1970s, federal and territorial development policy began to increasingly recognize the importance of the traditional economy. This change no doubt reflects the failure of the earlier approaches that assumed resource capital (mining and oil and gas) would expand to meet the employment needs of native people. This change may well reflect the changing social base of the northern state and the increasing pressure on the northern state coming from the native resistence movement (see Chapter Three and the section: The Native

Resistance Movement). With this said however, it seems clear that both federal and territorial economic development policy, or the overall accumulation strategy of the state, during the post War II period, has stressed increasing the proportion of native people in the wage economy and in so doing have undermined the traditional mode of production.

We observed that the territorial state is poised to more activly intervene in the northern economy. A prime vehicle to carry out this larger role is a state development corporation. The northern state is to assume a greater role as an underwriter of public infrastructure. The provision of material resources to reproduce the native workforce (e.g. the provision of education and literacy programs) is being priorized as a fundamental area of state intervention.

In terms of the northern state's role as an independent agent of economic development, we speculated that this action may not be so much ideological in motivation (ie., as a socialist state would be so motivated), rather it might have more to do with the shortage of local capitalists and access to investment funds. As well, in order to attract outside capital the northern state had to insure the required public sector infrastructure was in place. We conclude this discussion with a quote taken from the Department of Economic Development and Tourism's Building on Strengths: A Community Based Approach, which sums up nicely the northern state's perspective concerning its proposed increased role in the northern economy.

> As the NWT moves into the 1990's, the disparities in the NWT economy and among northern residents have caused the GNWT to once again assess our economic circumstances. The government has concluded that a strategy which depends solely on the private sector will not improve the socio-economic situation of all Northerners in all NWT communities.
>
> An economy dominated by the private sector will concentrate growth in large centres and among people comfortable with the demands of non-renewable resource industries. If a non-interventionist philosophy continues into the 1990's, small communities in the NWT will continue to be left behind, and the gaps that now exist between urban populations and rural populations will widen (p 39).

Chapter Three

From Bush Life to Wage Life

Introduction

While the aboriginal people have lived in the Northwest Territories for thousands of years, it was approximately 200 years ago that contact was made with European explorers and merchant capitalist fur trading and whaling companies. It nas only been in this century however, that the traditional lifeways of the aboriginals have undergone profound changes. These changes in social organization and economy have been most pronounced and irreversible since the post second world war period (Asch, M., 1976, 1980, 1986; Helm, J. 1978; and Janes, R.R., 1976). This is the case today; aboriginal society has been transformed along an irreversible path of incorporation into the dominant economic, social and political system (for graphic presentation of the increase in native labour force since 1961 see Appendix A Table/Graph 17-18 pp 175-176).

The aboriginal people inhabiting the Northwest Territories are recognized as the Dene (Indian) and Metis (a person of mixed Indian and European ancestry) of the western subarctic and the Inuit and Inuvialuit of the Central, Eastern and Western Arctic. The Inuvialuit are Western Arctic Inuit inhabiting six communities (Sachs Harbour, Holman Island, Paulatuk, Tuktoyaktuk, Aklavik and Inuvik), in the Beaufort Sea Mackenzie Delta area.

Today (1989), there are close to 32,000 native people in the NWT, living in 54 predominatly native communities. With a population of close to 53,500 people in the NWT, native people - Inuit, Inuvialuit, and Dene/Metis - represent approximately 58 per cent of the north's population (see Appendix A Table/Graph 20 p 177). While the natural birth rate has decreased considerably over the past 20 years, the aboriginal population continues to grow at Third World rates. The rate of natural increase among the Inuit population is 3.0 percent while the Dene/Metis population is increasing at 2.0 percent per year. This compares to a non-native population growth of 0.6% (Bureau of Statistics, GNWT, 1988). Rapid population growth has important implications for the northern labour market and native employment opportunities. As well, rapid native population growth has important implications for the pressure this growth will exert on the traditional sector in the future.

Schools and the Transition to Wage Life

This section will examine the development of the public school system as a key component of the state's accumulation strategy in the north since the 1950s. In short, native people were to fit into the state's accumulation strategy by being schooled and given wage jobs in an expanding non-renewable resource industry. The problem of chronic youth unemployment will be examined by reviewing some recent studies on this problem in the north, and as well, a recent discussion in the legislative Assembly of the NWT concerning illiteracy and unemployment will be examined.

In 1951 there were 3,800 Indians, 6,900 Inuit and 5344 non-natives in the Northwest Territories (Robertson, 1955 p 13). At this time it still could be said that "fur trapping, hunting and fishing continue to provide the means of livelihood for the greater number of the Indian and half-breed people," and "...although engaged in the same activities - trapping, hunting and fishing - as the northern Indians, the Eskimos are faced with a number of special problems. They inhabit the Arctic regions which generally do not appear to offer as immediate a prospect for economic development as does the Mackenzie River Valley" (Ibid., pp 13, 15).

A little over one year after Robertson's remarks to the Royal Commission on Canada's Economic Prospects, Jean Lesage, Minister of Northern Affairs and National Resources, in a speech of November 29, 1954, emphasized that the education of native people should be primarily vocational leading to technical occupations and wage employment. As recounted by McPherson (1987):

> Mr. Lesage said that the vocational training schools would be established at Aklavik, Yellowknife and Frobisher Bay. They will provide training for children in the Northwest Territories - Indians, Eskimos and others - to enable them to learn skilled or semi-skilled occupations. With each training the children will be in a position to take up new employments and to participate in the increasing economic development of the north. At the present time no such training schools are available in the Northwest Territories. At Yellowknife the plans call for a non-denominational hostel, to be operated by the government, to accommodate children from outlying parts who attend the vocational training school or high school (McPherson, N., 1987 p 277).

Four months after Lesage's speech, he announced to Parliament on April 1, 1955, "A New Education Programme in the Northwest Territories," which began a massive program to build schools and hostels in the NWT. The purpose of this program was clear: "The transition...from hunters...to industrial workers and wage earners is a slow but relentless process. Their native basic skills must be adapted to meet the demands of a wage-based economy, they must be trained to accept mobility" and "...to live in an ethnically integrated community" (Ellis, E., 1966 p 148). Gordon Robertson, Commisioner of the NWT (from 1953 to 1963), was just as explicit about the purpose of education in transforming the northern natives from hunters-gatherers to wage workers, with:

> The plan for educating the native both academically and vocationally, is a good one but should not be rushed. In time, this will permit the assimilation of the native into our society and also assist industry and government by establishing a pool of trained personnel who are familiar with the north (Robertson, G. 1960 p 371).

Just eight months after Lesage announced the federal government's new education program for the Northwest Territories, the Territorial Council unanimously passed the following resolution in January 1956:

Be it resolved that:

> Whereas the real income derived from fur trapping in the Northwest Territories is less than one third of its pre-war level, and the number of people drawing on this income is substantially increased; and
>
> Whereas it is not possible for a person to live and to provide for the minimum needs of this family at the present price of fur; and
>
> Whereas there does not appear to be any immediate prospect of a substantial improvement in the price of fur; and
>
> Whereas the present state of economic development in the Northwest Territories does not provide alternative means of employment for any substantial number of persons now dependent on trapping; and
>
> Whereas in the absence of other employment, dependence on relief can be expected to increase; and
>
> Whereas the payment of relief is not only costly but demoralizing to the character of the people;
>
> Therefore, the Commissioner be requested to ask the Minister of Northern Affairs and National Resources to request the Government of Canada most strongly to give immediate consideration to provision of assistance to the people of the Northwest Territories through the establishment of an appropriate measure of support for the price of fur; or alternatively to take all possible measures at the earliest date to stimulate the economic development of the Northwest Territories so that alternative means of employment and income can be provided for these people (Votes and Proceedings, Council of the NWT, January 1956 p 8).

Two years later in Yellowknife, the Territorial Council suggested that "it would be advantageous to both Indians and employers if the Indians were prepared for wage employment," and "...The Indians hope for the future lies in wage employment, and academic and vocational training are essential to this end (Votes and Proceedings, Council of the NWT, January 23, 1958 p 8). One year later, the Territorial Council recognized the need to create employment opportunites for the "younger generation." During a session of the Council in Ottawa, in February 1959, "an expression of concern over the future of the younger generation in the territories, and a suggestion that unless adequate employment opportunities became available in the north their will be no alternative but to encourage younger people to move to the provinces" (Votes and Proceedings, Feb 3, 1959), was recorded.

Shortly after Lesage's announcement, on April 1, 1955, through an agreement with the Indian Affairs Branch, the Northern Administration and Land Branch of the new

Department of Northern Affairs and National Resources, accepted full responsibility for the education of Indian children in the Northwest Territories (The Canadian Superintendent, 1964 p 64). Responsiblity for education in the north stayed with the Northern Administration and Lands Branch until 1966. In 1957, an Education Division was established that continued to administer northern education until its transfer to the territorial government's new Department of Education in 1969.

Between 1956-57 and 1965-66, the federal government and Territorial Council spent over $32 million on school construction in the NWT. Operating and maintenance costs of northern schools increased from $1.3 million in 1956-57 to $9.8 million in 1965 -66 (Territorial Council Sessional Paper #17, 1965, see Appendix A Table/Graph 19 p 176). In the Western Arctic, by 1958, large schools and hostels were opened at Fort Smith, Fort McPherson and Yellowknife. In the Eastern Arctic, by 1965, "schools were built in every settlement...except Repulse Bay. A school opened there in September, 1968" (Devitt, W.G., 1971 p 5). Between 1955 and 1970, native (Dene/Inuit) enrollment in schools in the NWT increased from 998 to 4924, close to a 400% increase over fifteen years (see Appendix A Table/Graph 21 p 178).

While the government was busy building schools and increasing native school enrolment, little was being done to create employment opportunities for academically and vocationally trained native people. This concern regarding the provision of job opportunities for natives, and for younger native people coming out of the newly formed federal school system, was clearly recognized as early as 1959 by a Royal Commission appointed to investigate the unfullfilled provisions of Treaties 8 and 11. Observation number 8 from the Commission's report stated:

> The Indian in the Mackenzie District is in a transitional stage. Few of the adults have received an adequate education and therefore have difficulty in obtaining employment requiring a degree of technical skill. The Indians have a strong desire to have their children educated and many stated to the Commission that if the Indian was to compete for job opportunites, education was a necessity. The Commission is in agreement with this view and recognizes that the educational facilities, and, in particular, the

> technical schools now being provided in the Northwest Territories will go a long way towards meeting the education needs of the Indians. However, it is also the Commission's view that education alone will not solve their economic problems. Unless job opportunities for the graduates can be found, their education will have been of little benefit to them since they will not be able to make use of their new skills nor will they have had the training required to enable them to make a living from the Indians' traditional pursuits of hunting, trapping and fishing (Report of the Commission, Government of Canada, 1959 p 7).

It is now some 30 years since the 1959 Royal Commission made the above observation regarding employment opportunities for newly schooled native people. The problems faced today by Native people, high unemployment, a low level of formal education, and poor economic prospects have changed little over the last 30 years. In fact these problems are even more severe today. This in turn has led to a long list of social problems.

Three recent studies covering the Keewatin, Kitikmeot and the Baffin Regions, focused on the question of native youth, their education and employment opportunities. The Keewatin study interviewed community members, practitioner's (i.e., adult educators, teachers, nurses, employment officers etc.), and government administrators. The observations that follow highlight the crisis of youth education and employment opportunities in the Keewatin Region:

> The problems faced by youth can be traced to a lack of employment/training opportunities which contributes to feelings of lessened self-worth and helplessness in the face of social change.
>
> Schools are characterized by a low attendance rate and a high drop-out/pulled-out rate. Only a small number of students get to high school, and only a handful complete (Keewatin Youth Survey, 1983 p 19).

The Kitikmeot Youth Study summarized current youth employment in the wage economy and educational pre-requisites to carry out these jobs. The study concluded with the following:

> a. Many young people in the Kitikmeot Region do not have the necessary level of education to take advantage of existing employment opportunites.
>
> b. There is a shortage of jobs in the Kitikmeot Region. Even if young people were qualified educationally for the available jobs, there would still not be enough positions for them to gain employment unless they were prepared to relocate.

c. Participation by young people in the hunting and trapping economy is declining.

d. Many of the young people in the Region are experiencing difficulty with the law. This situation is related to the high rate of unemployment (Kitikmeot Youth Study, 1985, p 14).

The Report Towards a Youth Employment Strategy for the Baffin Region concluded with the following observation regarding employment for Baffin's youth:

> It is a fact that no matter how many jobs are created in the future, there will never be enough for every person of employment age. Even though there will be new jobs available after the settlement of land claims, and the division of the Territories, there will not be enough qualified Inuit to fill these positions. The jobs will likely continue to go to Southerners (Rigby, B., and J. Pattimore, 1986 p 58).

A recently published study by Dr. Colin Irwin, Lords of the Arctic: Wards of the State, graphically illustrates the worsening conditions among the Inuit of the Eastern and Central Arctic with: "...most of the Inuit living in the Arctic in the years 2025 will probably be second generation wards of the state living out their lives in "Arctic Ghettos: plagued by increasing crime" (Irwin, C., 1988 p 14). GNWT Government Leader Dennis Patterson recently echoed a similar concern in an address to the 1988 Northern Development Conference: "In these communities, average incomes are well below national poverty levels, employment is almost nonexistent and social assistance is a fact of everyday life" (Patterson, 1988).

Irwin (1988) argues that as the residential system of the 1950s was replaced by a community-based education system across the north, "the universal delivery of education seems to have been emphasized at some loss to the quality of education" (p 9). In addition to some loss in the quality of education, grade level attainment by Inuit and Dene indicates that they are well below the non-native population. For instance, according to the 1984 NWT Labour Force Survey, less than 15% of the Inuit population over the age of 15 have achieved a grade 10 education. As for the Dene, 26.1% have achieved a grade 10 or more. Compare this to the non-native population where 91.4% have a grade 10 or more. The percentage of those Inuit and Dene who have achieved a grade 10 education and eventually go on to complete grade 12 education is very small. Only 3.5% of Inuit and

10.1% of the Dene population have achieved a grade 12 diploma. Compare this to the non-native population where 60.2% have achieved a grade 12. Further, only 0.2% of Inuit and 0.6% of Dene have a university education. Compare this to the non-native population where 21.9% have a university degree (see Appendix A Table 46 for a breakdown of age groups with less than grade 9). It should be noted however that the north's non-native population has an educational attainment above the Canadian average .

As mentioned, while Native people have much lower grade levels than the non-native population in the north, the education that they do receive is often not of good quality. Irwin (1988) cites a 1984 G.N.W.T Department of Education Study that administered T.A.B.E. tests to Inuit entering adult education programs in the Keewatin. These students, tested, on average, 2.4 grades lower than their grade achieved in school. This apparent "slip" by 2.4 grades is probably explained by the poor quality of education in the first place, and secondly, a loss in school learning in a community environment that does not by and large support it. Irwin's study also cites test results given to all the students at the Rankin Inlet high school who graduated with their grade 12 diplomas in 1988. This particular test was administered to these students when they entered grade 10. Test results indicated that the average academic performance on 8 separate tests, (ie., reading comprehension, language expression and math comprehension etc.) was 7.2. Irwin comments on the later results with:

> These test results are interesting for a number of reasons. First it should be noted that they represent the very best Inuit students in the Keewatin region suggesting that the rest of the students in the region are doing worse. Secondly, the incoming average performance is closer to grade 7 than grade 9 which is two grades below assigned level for the best of the Keewatin students. Thirdly, it should be noted that the residential school at Rankin Inlet produced tremendous progress in these students to get them up to grade 12 in only three years. Clearly Inuit students 'can do it' when given the right kind of opportunity (Irwin, C., 1988 p 68).

Irwin's (1988) recommended first step towards improving the quality of education in the north is that government should more rigorously monitor education standards "with a view to regulating and maintaining standards" (p 51). This would not in itself help native students finish high school, but it certainly would be a positive move towards insuring that a native person with a grade 10 would "TABE out" at a grade 10.

Low grade level attainment, particularly in the 15-24 year old group, has led to very high rates of unemployment. According to the 1984 NWT Labour Force Survey, unemployment among natives between the ages of 15 and 24 is in the range of 60 to 65 percent. The rate drops to 40 to 45 percent for natives between the ages of 25 and 39. By comparison, unemployment among non-natives in the same age groups is 17 percent and 8 percent, respectively. Unemployment among the Dene and Inuit in the 15 to 24 year range is surprisingly similar: 67% Inuit (1698 persons) vs. 68% Dene (877 persons). Unemployment among the Metis in the 15 to 24 age group is lower at 45% (198 persons). The overall level of unemployment among Inuit, Dene and Metis is, 54% (3,636 persons), 56% (2138) and 45% (526), respectively (Bureau of Statistics, GNWT, 1984). This suggests there are over 7000 native people (1984) in need of part time/seasonal or full time employment in the Northwest Territories.

We should note here that the lack of employment opportunities in the communities plays an important role in the decision of students to stay in school. Ogbu (1981) has pointed out that "cross-cultural studies make it clear that families and their children often utilize adaptive strategies in dealing with schools..." and "...the ethnographer looks at the linkages between schooling and the larger socio-cultural systems." (p 14). In our case, part of this larger socio-cultural system is characterized by few job opportunities at the community level and family environments that in many cases do not support or encourage children to complete school.

The low level of formal education among the majority of native adults in the north could well be the single biggest problem in the N.W.T. Education, in itself, does not create employment, however it does provide greater choice in the job market. In a recent Budget Session of the Territorial Legislative Assembly, during the presentation of the Department of Economic Development and Tourism's 1989/90 Budget, Peter Ernerk, an Inuit Member representing the Aivilik riding, asked the Minister of ED & T, Gordon Wray, what "the single biggest problem is in our economy" (Votes and Proceedings, Feb. 17, 1989 p 314). Wray had this to say:

> I can probably think of 10 to 12 reasons, but if I had to zero in on one, I would say that the lack of education is probably the single biggest factor that is inhibiting our growth at this point in time. The lack of education causes a number of problems.
>
> First of all, when people say that there are no jobs in the NWT, the fact is that there are probably I would estimate 1500 to 2000 jobs right now filled in the NWT by people who come here for a relatively short period of time, a two to five year period. There are lot of jobs in the NWT. The problem is that our people do not have the education to take advantage of them.
>
> ...the more education you have, the more creative you are, the more ability you have to solve your own economic problems. ...Now it may mean you have to leave your home community but at least you will have a job. We do not have that. It does not exist. The mobility in our communities is almost non-existence. ...almost all of our young people are being born and growing up in their home communities and they cannot go any where because there is no point in them going anywhere because there is nothing for them to do (Ibid., p 325).

This statement should have come as no surprise to MLAs, or anyone for that matter who has cared to look around the north. What is interesting about these comments however, is what the Minister thought could substantively be done towards solving the problem. Better education would bring more jobs to native northerners. However, regarding high unemployment in native communities, the Minister said the problem was one that government must admit it cannot solve. Wray pointed out that previous governments' "assumed that the private sector would be able to and willing to lead economic development." This approach has worked to encourage growth and development in urban areas but it has ignored the needs of our underdeveloped and depressed communities" (Ibid., 1989 p 305). While acknowledging the failure of past federal and territorial development policies, Wray stated,

> For the most part, a large majority of people are going to be condemned to a life on welfare, unless they are willing to relocate. We cannot create the number of jobs that are necessary to keep up with the population growth (Ibid., p 313).
>
> I think that we have to be realistic and say that we are only going to be able to create jobs for a small percentage of our population, because the

> communities were never meant to be that big and they were never meant to be where they are, to deal with that kind of population. It was never thought that our population growth would become so high as it has (Ibid., p 314).

Wray's contention that "it was never thought our population growth would become so high as it has" is interesting for if past governments' population projections had widely underestimated native population growth theh his government could not be held so responsible for the employment crisis. Even more importantly, one would have an easier way of explaining how the north in the late 1980s came to have such a huge unemployment problem. An examination of past government studies on population growth in the north, as far back as 1965, shows that government population projections were not nearly as low as Mr. Wray's contention would have us believe.

The economic background study done by Hedlin, Menzies & Associates for the Carrothers Commission in 1965 pointed out the pending employment and income gap "that looms ahead is little short of frightening with total population expected to increase 35 per cent in the next ten years..." (Hedlin, Menzies & Associates, 1965, p 8). As it turns out, population actually increased by 48% between 1966 and 1976 (Hamlin, L. 1979 p 5). One reason for the higher overall increase was the in-migration of 4026 non-natives in the early 1970s, partially in anticipation of oil and gas development in the Western Arctic. Hedlin et.al. (1965) are more specific however with reference to the growing number of native children coming out of the northern school school system and quote a DIAND reference document prepared for the Carrothers Commission to get their point across:

> If there is no material change in native fertility rates and little migration of Indians and Eskimos from the Territories, there will be an enormously increased demand for school facilities and training programmes in the next 10 to 15 years. It appears that the average annual number of children coming of school age will be 50 per cent higher in 10 years' time than at present, and there will be a corresponding increase in the number of people entering the labour force (The Northwest Territories Today, 1965 p 31, as found in Hedlin et. al., 1966 p 23).

Seven years after the Hedlin, Menzies & Associates population projections, a 1973 study, "Population Projection of the NWT to 1981", was published by the Policy and Planning Division of DIAND. This study overestimated the non-native population by 1670 people for

1981 (DIAND, 1973). The Inuit population was underestimated from between 1237 and 1875, while the Indian population was underestimated by between 221 and 347 to 1981 (Ibid.). Another study done in 1968 by Mathurin for DIAND, on the Indian and Inuit labour force to 1981, underestimated the Inuit population by 1332 and the Indian population by 1000 (Mathurin, D.C., 1968 p 13).

If government population projections during the late sixties and early 1970s were moderately underestimating the growth of the Dene and Inuit populations, particularily the later, this changed by the late 1970s. In 1979 Louis-Edmond Hamelin published a major demographic study that more accurately projected the Inuit and Dene population to 1985. The Inuit population was projected to be between 18,592 and 19,672 in 1985, in 1988 the Inuit population had actually increased to 19,739 (Hamelin, L., 1979 pp 16-19; and Bureau of Statistics, GNWT, 1988). The Dene/Metis population was projected to be between 11,333 and 11,937 in 1985, in 1988 the Dene/Metis population had actually increased to 12,171 (Ibid. pp 16-19). Hamelin's projections were right on the mark for the Dene and Inuit populations, however they were significantly off the mark for the non-native population by 5394 to 9600 people (Ibid. pp 16-19).

The point being made here is that Wray's contention that government "never thought that our population growth would become the size that they are growing" is not correct according to government population projections going back at least to Hamelin's 1979 study. As far back as the Carrothers Commission in the mid-1960s, one finds substantial evidence of the pending native employment crisis.

In summary, then, what this section has pointed out is that 35 years of formal schooling, while improving the general overall level of education among native northerners, has not succeeded in raising education levels to anywhere close to that of non-natives of the same age, or raising the level of education to at least the minimum required for most skilled and semi-skilled positions. Secondly, as pointed out by government commissions and politicians over the last 30 years or more, educating native people must be accompanied

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Native Resistance and Land Claims

This section will highlight the history of the native resistence movement in the Western Arctic during the 1970s to the state's accumulation strategy and the reaction of the state and media to this resistence. The main plank of the state's accumulation strategy by the early 1970s was the expectation that the Mackenzie Valley pipeline would be built (see Chapter 4: State Sponsored Economic and Employment Development, for a detailed account of this strategy). Native resistence to the state's accumulation strategy took the form of a struggle for the recognition of Native land rights and political self-determination. Attention will be paid here to the initial formation of the Indian Brotherhood of the N.W.T., its claim on 450,000 square miles of land in the Mackenzie Valley, and the state's reaction to this apparent attempt by the Dene/Metis to realign the economic forces in the north. As well, a brief description of the current Agreement-In-Principle (AIP) will be undertaken and the economic prospects for the Dene/Metis in a post-Land Claims environment will be examined.

A July 1968 gathering of Western Arctic native leaders in Yellowknife "marked one of the very first times that Indian leaders from the NWT had ever come together to discuss their problems, their hopes for the people" (Blackduck, F., as found in G. Braden, 1976 p 98). The meeting was held to discuss a number of proposed amendments to the Indian Act with DIAND officials. The amendments proposed in the summer of 1968 became the 'White Paper' of June, 1969, a piece of federal legislation that would have terminated all special rights, including the Indian Act, reserves, and treaties.

At the meeting, Indian Chiefs formed the Indian Advisory Council of the Northwest Territories. According to Braden (1976), "the Council was established by DIAND, staffed with a majority of appointed Indian members, and functioned as a liaison between Ottawa and northern Indian people" (p 99). Although it would be almost two years before the Indian Brotherhood emerged, native leaders realized that "a strong organization" was needed (Ibid.).

Meanwhile over in Alaska, other events were unfolding that influenced Dene leaders and chiefs before the Indian Brotherhood was set up. Between 1968 and 1971, the Alaskan Federation of Natives "negotiated a land claims settlement based on upon the aboriginal rights of the Alaskan Indian, Inuit, and Aleut people" (Ibid.). The driving force behind the settlement of land claims in Alaska was the discovery of oil at Prudhoe Bay, Alaska in 1968. The prospect of a similar discovery in Canada's Arctic led to a frenzy of oil exploration in the Beaufort Sea and Mackenzie Delta (see Appendix A Table/Graph 22 p 179). Less than two years later, in January, 1970, a major oil find was made at Atkinson Point on the Tuktoyaktuk Penninsula. The Committee for Original Peoples' Entitlement (COPE) was organized about this time. Concerning COPE, Braden (1976) recalls "some native people began to ask question about who was going to benefit most from the exploration and eventual development of northern peteroleum resources. Most important, the right of the federal government to permit petroleum exploration on land for which no treaty had been signed was being questioned" (p 104).

The idea of setting up an Indian organization was discussed and debated among Native people of the Mackenzie over the following year. At a meeting in Fort Smith in the fall of 1969, following the release of the White Paper by Ottawa, the Advisory Council was dissolved. An interim executive for a new organization was elected, consisting of a president and four regional vice-presidents. Over the next four months, the interim officers "were active in preparing a constitution and constructing an organizational framework which would work toward the full participation of all northern Indian people through their elected leaders" (Ibid., p 123). In February 1970, the interim executive met with the 16 elected band chiefs and their councillors, representing Indian people living in the area covered by Treaties 8 and 11 and set up "permanent offices and staff" in Yellowknife for the Indian Brotherhood of the NWT (Ibid., p 124). The IBNWT's constitution committed the organization to protecting the rights and interests of Indian peoples of the N.W.T. by providing an organized voice for native concerns, and developing and supporting economic, social, educational and cultural programs for the benefit of northern Indian people (Ibid., pp 124-125).

The main objective of the new organization was, according to Braden (1976), to research Treaties 8 and 11 to build a sound legal basis for a Dene claim of the land covered by the treaties (p 128). The research efforts and community discussions over the validity of Treaties 8 and 11 culminated in March, 1973 at a meeting in Fort Rae. The 16 band chiefs "agreed with the proposal that a caveat, or statement of warning of interest, would be filed with the Land Titles Office of the Government of the Northwest Territories" (Ibid.).

As a Native Press article from 1974 put it, the "Caveat emphasized that Indians had first right to 400,000 square miles of land in the Mackenzie District and that anyone developing that land would do so at the risk of having to compensate the Indian people for damage to the right" (Native Press, 1974 p 12, as found in G. Braden, 1976 p 129). After some six months of community hearings up and down the Mackenzie Valley, Mr. Justice William Morrow ruled that because the indigenous people had occupied that land since time immemorial they were, in fact, the owners of the land under the concept of aboriginal rights and that the treaties had never extinguished their title. The federal government subsequently appealed Morrow's decision on a technicality ruling that the Dene did not have sufficient interest. In reference to the Crown's appeal of Morrow's judgment, Fumoleau (1980) observed that "even when later on, because of a legal technicality, the Dene were not allowed to register their caveat, the judgment was a great victory for them" (p 14). Braden (1976) argued that Morrow's decision changed the federal government's position on land claims in the north and "the federal government began to talk of a negotiated land settlement" (p 130).

The Indian Brotherhood began to get funds early in 1974 for land claims research and in the spring of 1974 the newly formed Metis Association of the Northwest Territories (established in April, 1972) joined forces with the Indian Brotherhood. This joint approach to a land claim "was reaffirmed at a second Joint Assembly held in Fort Simpson in July 1975. This occasion saw the adoption of the Dene Declaration by both orgaizations" (Dene/Metis Negotiating Secretariat, 1988, p 2). The new Minister of DIAND, Judd Buchanan, reacted to the publication of the Dene Declaration by calling it "gobbledgook that a grade ten student could have written in 15 minutes" during a press conference held in Yellowknife (Northern News Report, July 22, 1975 p 5).

A Native Press article of August 1, 1975 reported on the release of the Dene Declaration with:

> The Dene ask to be recognized as a 'Dene Nation' by the government and people of Canada and by the people and governments of the world. The Dene should have the right to establish and carry out steps towards self-government in the NWT. With the claim of 450,000 square miles of the western Arctic, and the setting up of laws for education, game management, social and economic areas, a separate government for the Dene is the first major step (Native Press, 1975, August 1 p 6).

Whatever the Declaration meant to the 300 delegates attending the second Joint Assembly held in Fort Simpson in July 1975, its publication led to the ousting of James Wah-Shee, then President of the Indian Brotherhood. It also signalled a split between the Brotherhood and the Metis Association. There was, as Steve Kakfwi, past President of the Dene Nation described it, a "violent reaction" across Canada, with media allegations that the Dene had adopted socialist and communist principles (Kakfwi, S., December 1985, personal interview). The controversy following James Wah-Shee removal from office had all the makings of a Third World coup. Mr. Wah-Shee held a press conference in early November and said "that control of the northern native organization has fallen into the hands of white consultants who are trying to impose southern socialist ideas which are not those of the Dene people" (Semjanova, R., November 7, 1975). Similar Cold War paranoia was echoed by The Drum, an Inuvik newspaper, with "it (Declaration) would appear to be written by a white theoretical revolutionary...the objectives are general and vague and the prose loosely structured from the Maoist, Communist lexicon" (The Drum, July 1975 np). An Edmonton Journal article written from Yellowknife said that the Dene Declaration "tries to draw a parallel between the northern natives' position and that of the Third World countries where the aboriginal Africans and Asians have thrown off the oppression of foriegn powers and won independence" (Edmonton Journal, July 30, 1975 np). The same article echoed other newspapers that "there is a suspicion here among northern whites that the natives are being strongly influenced by left-wing advisers such as University of Toronto economics professor, Mel Watkins" (Ibid.).

Steve Kakfwi, past President of the Dene Nation, reflected on the attacks being made at the time by government and the newpapers over the question of "white socialist advisors" with:

> The main issue here was the issuing of the Declaration. That caused a tremendous amount of controversy in the north and in Ottawa in reaction to that statement. Funds were cut off and we were branded as separatists, as radicals and there were a number of other labels attached to us. In the wake of this, when the leadership found that some of the things Wah-Shee was doing was not the kind of work or direction that they agreed with, I think they brought that up with James, and there was not necessarily an agreement on what to do. I think the leadership felt that the executive was taking too much direction on its own. And since they were not in control of it, to make a change in the executive they had Mr. Wah-Shee removed from Office. He ran for, and was a member of the Territorial Council at the time, and the Chiefs had absolutely nothing to do with the Territorial Council. The Chiefs had rejected it just a few months before - publicly and nationally - as a government they had not recognized at all (Steve Kakfwi, December 1985, personal interview).

Rene Fumoleau, the author of a book on Treaties 8 and 11, said those accusing that "left-wing white advisors" wrote the Declaration "don't know what they are taking about" (Fumoleau, R., December 1985, personal interview). The media called the Dene communists "because the media in Yellowknife and Inuvik were or at the service of the financial powers of the cities...that is the only reason. The media are at the service of the political and financial powers...that is how it is" (Ibid.).

A renewed attack on the Dene nation came shortly after the release of their Statement of Rights, and Agreement in Principle. This document was the basis for negotiating their land claim in October 1976. At about the same time, the Berger Report was released, recommending that there be no pipeline up the Mackenzie Valley for ten years until land claims were settled and implemented. This brought further attacks by the media and the government. A week after the Dene released their Agreement in Principle on October 10, The Drum in Inuvik charged the Dene with "advocating the establishment of 'apartheid' in Canada's Northwest Territories" (The Drum, October 17, 1976 np). The Legislative Assembly published a 50 page public report called "You've heard From the Radical Few About Canada's North." The report argued that "frankly, support Mr. Berger and you have to support South Africa and its policy of apartheid...for its this very kind of political and economic development that Mr. Berger is talking about for the native peoples of Canada's North" (The Legislative Assembly, 1977 p 6).

The Brotherhood proposal for the settlement of land claims was rejected by the federal government in 1977. Abele (1985) says that the Brotherhood proposal "envisioned the establishment of a new, almost exclusively native territory to be governed through unspecified but innovating institutions; cabinet refused to negoitiate on this basis, stating that 'ethnic government' would not be countenanced in Canada..." (Abele, F., 1985 p 252). The rejection of the Brotherhood proposal by the federal government and federal insistence that the Dene and Metis submit a joint claim stalled claims negoitiations until the Brotherhood developed a new and less confrontational three-pronged strategy:

> 1. Federal restrictions upon issues which could be discussed at the claims negoitiations table were tacitly if not officially accepted.
>
> 2. The Brotherhood sought the support of the non-native population of the Northwest Territories for redesigned governing institutions which would meet Dene concerns.

3. An earlier Indian Brotherhood position, which discouraged participation in territorial elections on the grounds the territorial government was an imposition of a foreign power, was reversed (Ibid.).

As a result of this new strategy to participate in territorial elections, two former Dene nation activitists, Richard Nerysoo and James Wah-Shee (as well as Inuit and Metis) and some non-native representatives "who were open to compromise on native demands", were elected in the October 1979 territorial election (Ibid.). It is interesting to note that Richard Nerysoo went on to become the first native Government Leader of the GNWT in January 1984. Nerysoo has also since 1979 taken on a number of Cabinet positions: Renewable Resources, Energy Secretariat, Public Utilities Board, Justice and Public Services Intergovernmental Affairs, Priorities and Planning, Office of Devolution, and Status of Women. Nerysoo has been an Ordinary Member since November 1985 and recently (Fall 1989) was elected as Speaker of the Legislative Assembly. James Wah-Shee held the following Cabinet positions between 1979 and 1984: Local Government 1979 -1985, Culture 1982-84, and Aboriginal Rights and Constitutional Development 1979-1984.

In 1980, the Dene Nation and the Metis Association settled their differences and agreed to develop a joint claim and also agreed to removing political rights from land claim negoitations (Dene/Metis Negotiating Secretariat, 1988 p 3). The federal government resumed claim funding although both groups continued to negotiate their land claim with separate negotiators which eventually led to co-ordination problems and, in 1983, the federal government again suspended claims related funding (Ibid.). In August 1983, the Joint Leadership of the Dene/Metis approved the formation of a single claim body, called the Dene/Metis Negotiations Secretariat (Ibid.). The Dene/Metis Negotiation Secretariat began work on a Framework for Negotiations which eventually formed the basis of a May 10, 1988, Agreement in Principle (AIP), among federal, territorial and Dene/Metis negotiators. A Final Agreement must be signed by the spring of 1990 according to the timetable for finalization of the Agreement.

It is not the intention of the writer to provide a detailed summary of the various elements making up the AIP. What is at issue here is the potential impact on the economy and labour market, particularly as this affects natives, as a result of a final Land Claim. In terms of the financial elements of the AIP, the AIP provides for $500 million (in 1990 terms) non-taxable cash settlement to be provided to the Dene/Metis over 15 to 20 years. In addition, Dene/Metis will recieve 50% of the first $2 million of government oil, gas and mineral royalites and 10% of the balance of government royalities. Mineral royalities for Dene/Metis, according to the later formula, would be worth roughly $1.4 million at today's production levels in the north (Department of Energy Mines and Resources, GNWT; 1988). Britton (1988) has estimated that if the principal sum of the cash settlement ($500 million) was paid out in fifteen annual installments at an interest rate of 9.5%, the annual payment would be close to $64 million, amounting to a total of $958 million over 15 years (p 1). If the Dene/Metis "succeed in negoitiating a 20-year payout with the bulk of the payments in the final years, they may be able to more than quadruple the total payout to more than $2.2 billion" (Robinson, M., et. al., 1989 p 61). The AIP will transfer 70,000 square miles of surface title lands including 3900 with subsurface title (DIAND, 1988 p 122). Of the 3900 subsurface, 3200 will be apportioned among all the communities in the settlement area to give total control of specific community interest areas (Ibid.). A total of 700 square miles is to be allocated to Aklavik to compenste for loss of use of lands north of the community through the Inuvialuit Claim (Ibid.).

There will be potential employment generated by economic development projects and investments at the local and regional level and a number of management institutions will be established which will generate employment. "These institutions are intended to ensure that management of resources is directed with the full participation and influence of land claim beneficiaries" (Robinson, M., et. al., 1989 p 65). Robinson, et. al., state that the management organizations set up to manage the claim area will in some cases pay native members honoraria, have research responsibilities and staff and require operating budgets. They predict a stable land claims management industry supported by a government expenditure of $4 - 5 million dollars annually (Ibid., p 68). Outside of direct employment with management institutions, "the business of land claims management will create economic growth in the service sector, especially in consulting, travel, communications, legal services, hotel and meeting accomodations and brief case sales" (Ibid., p 69).

In terms of the types and number of employment opportunities generated by the cash compensation, this hinges on the types of structures developed to handle the cash compensation and resource royalties and the particular investment philosophy adopted by the Dene/Metis. That is, will economic development initiatives undertaken by the Dene/Metis after the final settlement be capital intensive or labour intensive, and will they be profit or non-profit investments? For instance, emphasis on non-profit community-based labour intensive projects would generate more local employment opportunities than investments in real-estate or "Blue Chip" stocks.

Overall, how many jobs will go to native people is difficult to determine, though it is clear that, particularly in the short run, native people will find new employment opportunities in management organizations and an expanded Dene/Metis bureaucracy. If the Inuvialuit Final Claim can be used as a indicator, during the 5 year period since its implementation (June 1984 to January 1989), Inuvialuit labour force participation went up by 10%, from 49% to 59% (Bureau of Statistics, 1984 and 1989). The unemployment rate dropped from 31% to 27% and the number of employed persons increased from 526 to 766 persons (Ibid.). This increase in employment and labour force participation rates was much higher than that experienced during the same period in other areas of the NWT and among other ethnic groups. For example, overall in the N.W.T., between period 1984 to 1989, the labour force participation rate went up from 68% to 70%, while the unemployment rate dropped from 17% to 16% (Ibid.). The unemployment rate for the Dene dropped 1.0%, 36% to 35%, and the Dene labour force participation rate increased 1.0%, 53% to 54%

(Ibid.). The Inuit unemployment rate increased from 28% to 31%, while their labour force participation rate increased 1.0%, 52% to 53% (Ibid.). The point being made here is that on the surface it would seem that the Inuvialuit final land claim had the effect of increasing employment and labour force participation rates among the Inuvialuit between 1984 and 1989.

In summary then, this section has outlined the formation of the Indian Brotherhood in the late 1960s, a movement that attempted to resist the state's accumulation strategy through a land claims settlement and self-goverment. An attempt was made to show the reaction of the media and government to earlier land settlement proposals of the Dene and the changes in strategy the Dene adopted during the late 1970s. The major land settlement proposals of Dene/Metis leading up to the Agreement in Principle of 1988 were discussed. Finally, an attempt was made to outline very briefly the main financial and land quantum elements of the AIP and to project some of the more obvious employment opportunities for native people that will flow from a final land claims settlement.

Bush Life in the 1980s

This section will look at the main features of the traditional economy in the 1980s. The number of native people involved in the traditional economy, its significance to the economic accounts of the N.W.T. and as a livelihood for native northerners, will be examined. As well, the importance of state subsidies for the hunting and trapping economy will be examined along with a brief discussion of recent proposals from native organizations for a wildlife harvest support program.

In a recent study on the role of the traditional economy in the NWT, Stabler (1988) tentatively concluded with the following:

> Traditional pursuits are treated as an inferior alternative to employment in the modern economy as a full time vocation as indicated by the fact that native people reduce their participation in traditional activities as they increase their involvement in the modern economy. Further, over 80 percent of those without jobs who are engaged in traditional pursuits

> indicate that they want a job in the modern economy. This of course does not deny the continued importance of traditional pursuits as an occupation for those unable to obtain employment in the modern sector, nor its value as a (perhaps preferred) source of food or its role in the native culture.
>
> These findings, if sustained, do have implications for manpower planning. The number of natives of labor force age in the NWT will approximately double by the end of the century. A clear statement of their occupational preferences will be a useful guide in planning for this period (Stabler, J., 1988 p 28).

Stabler's findings hightlight the fact that unemployed native people who are engaged in traditional on-the-land activity are not likely to be in this activity because they prefer it to wage work. This problem should be kept in mind as we look at on-the-land activity statistics for the N.W.T. from the 1961 & 1986 Census and the 1984 NWT Labour Force Survey.

Examining the 1961 Census under the occupational category of Fishing & Trapping and Hunting, we find that participation by the native people has decreased significantly over the past 30 years. For instance, in 1961, 1,517 or nearly three fifths of Indians and Eskimos included in the experienced labour force reported that they were engaged as their primary occupation in the traditional occupations of fishing, trapping and hunting (Hedlin, Menzies & Associates Ltd., 1966 p 26). The 1517 natives engaged in traditional activities represented 56.5% of the experienced native labour force of 2,682 in 1961. According to the 1986 census, 235 individuals in the N.W.T. reported fishing, trapping and hunting as their primary occupation, representing just under 2.3% of the native labour force (1986 Census, Table LF86B04). As we will see from questions asked on the 1984 NWT Labour Force Survey, and harvest survey studies, the 1986 census does not give an accurate picture of the actual extent of on-the-land activity by northern natives. The 1961 and 1986 census comparisons do however provide a general sense of the significant decrease in the percentage of the experienced native labour force that reported trapping, fishing and hunting as their primary occupation.

Regionally, native participation in on-the-land activities varied from 60% in the Baffin region to a low of 28% in the Fort Smith Region (1984 NWT Labour Force Survey).

Comparing native group participation in on-the-land activities, we find it ranges from 60% for Inuit people, to 35% for the Dene and 18% for the Metis. Native involvement in on-the-land activities varies also according to age and gender. In terms of age, a greater percentage of older natives reported some time spent on the land, although younger native persons do participate at high rates -- 43% overall for those 15 - 24 and not in school full-time. Among the Dene we find the most marked difference among age groups. Dene men over 40 years of age reported that they participated in on-the-land activities in all months of the year at twice the percentage that Dene men under 40 reported. Looking at gender participation rates, we find that overall 60% of native men reported on-the-land activity while a much lower 32% of women reported the same. This on-the-land "gender gap" was particularly apparent among Dene men and women, where Dene men reported 50% and Dene women reported 17% had spent time on the land hunting, trapping and fishing. In terms of year around on-the-land activity, 1203 native people or 8% of native people between the ages of 15 - 64 and not in school full time spent 12 months a year on the land. In terms of at least one month reported on the land, 46% of natives reported some hunting, trapping and fishing activity during the year (1984 NWT Labour Force Survey).

Keeping these on-the-land activity statistics in mind and Stabler's remarks that "80 percent of those without jobs who are engaged in traditional pursuits indicate that they want a job in the modern economy," we will now look at the income and cultural significance of the traditional economy and the main issues regarding its place in the contemporary northern social formation.

Arguments for supporting and expanding the traditional sector must begin first with an understanding of the cash and non-cash related components of this activity. As discussed in previous chapters this involves differentiating between the domestic mode of production where production is for direct consumption (food and clothing), and the petty commodity mode (fur, fish, meat and crafts) where production is for exchange.

Turning first to the fur trade, the oldest capitalist industry in the N.W.T., we find that there were 2900 registered trappers in the N.W.T., during 1985-86, reporting a total fur income of $3,267 million (Department of Renewable Resources, 1987; see Appendix A Table/Graph 23 p 180). This represents .21% of territorial Gross Domestic Product at market prices for the year 1985 (Bureau of Statistics, 1988, p 14).

Fur income in the N.W.T. is notably unevenly distributed regionally and by community. In 1985/86, 86.8% of all fur income came from the Western Arctic (Department of Renewable Resources, 1987). The Fort Smith Region produced 59.8% of all fur income in the N.W.T., while the Inuvik Region accounted for 27.0% of territorial fur income. It should be noted that since 1976 and the involvment of Greenpeace Canada in the harp-seal protest, and particularly since the European boycott of seal skin imports from Canada, that began on a voluntary bases in 1982, income derived from the sale of seal skins in the Eastern Arctic has plumeted (Wenzel, G., 1986 pp 73-74). Income occuring to Inuit seal hunters has dropped from $680,000 in 1980/81 to $24,437 in 1986/87 (Department of Renewable Resources, 1987).

Twenty-one communities, all from the Eastern Arctic, out of a total of 53 communties across the N.W.T. reporting fur income, reported average fur income among trappers of over $1000.00 per year during the 1985-86 trapping year (Ibid., 1987). The top five communities, registering the highest average fur income among trappers for the 1985-86 trapping year, were the following communities: Fort Liard, $2,640; Wrigley, $2,567; Fort Good Hope, $2,225; Fort Smith, $2,213; and Fort Norman, $2,087 (Ibid.,).

In terms of communities total income in the 1985 taxation year, 14 communities reported trapping income accounting for more than 1.0% of total community income (Department of Renewable Resources, 1987; and Revenue Canada, 1988) Seven communities, all in the Western Arctic, reported trapping income accounting for more than 10% of total community income (Ibid.) The top five communities reporting the highest trapping income as a percentage of total community income were as follows: Rae Lakes, 29.8%; Wrigley, 17.6%; Nahani Butte, 16.5%; Lac La Martre, 14.0%; and Fort Liard, 10.6% (Ibid.). It is interesting to note that Rae Lakes, a Dene community north of Yellowknife, that depends more on trapping income than any other community in the N.W.T., also happens to be the community with the lowest average income of any community in the N.W.T. (Ibid.).

As the fur income data indicates, there are only a small number of communities in the Northwest Territories, all in the Fort Smith Region, where fur income accounts for a significant percentage of community income. However, income aside, there is as well a social and cultural significance to fur trapping that can not be appreciated by fur income statistics alone. As Stephen Kakfwi, past president of the Dene Nation, points out:

> ...It's not a great income, people make a few thousand dollars a year...it gives them enough flour, lard and butter, you know, and at Christmas time, at Easter and at Spring, people have a few dollars left over to tide them over to the next venture out on the land (Delancey, D., 1985 p 8).

While the trapping industry generates little cash income the socio-cultural implications of trapping in community life takes on a larger more significant importance. James Ross, the Dene Chief from Fort McPherson, explains:

> The main thing the trapping industry means is, I see my people happy, living out on the land having a good life, day-in and day-out. Out on the trapline they're away from community social problems we have in the North. With a lot of money coming in from oil companies, a lot of partying going on...Consequently [there is] social breakdown in the families, suicides, violence, jail sentences. And that aspect kills people, and when people are out on the traplines, they're happy, they're living a good life, they're healthy (Delancey, D., 1985 p 8).

We now turn to the domestic mode of production, or the non-cash component of on-the-land activity. This activity involves food harvesting for local consumption. Without this important source of food, native people would indeed be poor people. Estimations of the "imputed value" of traditonal food sources harvested by natives is as high as seven to eight thousand dollars per person in the more traditional communites (Quigley and McBride, 1987). Caribou alone "contribute $27 million to the northern economy strictly as a source of protein. If we had to replace all this with imported meat it would cost the people of the North over $60 million. This food is used in the local communities" (Bourque, J., 1988 p 5).

The significance of bush food production for native communities in the north and the need for a wildlife harvestor support program (WHSP) was the topic of a report prepared by CARC for the Department of Renewable Resources, GNWT. The report "Keeping On The Land: A Study of the Feasiblilty of a Comprehensive Wildlife harvest Support Programme in the Northwest Territories," May 1988, estimated that "harvesting is concentrated in approximately 50 native communites...which house three-quarters of the native population (about 22,000 people in an estimated 4,200 households)...there are about 5,500 active harvesters in the native communities of the Northwest Territories" (Ames, R. et. al., 1989 p 23). The active harvester estimate excludes harvesting households in the regional and resource centres and "the proportion of non-harvesting households in the Mackenzie Valley (Denendeh) is significantly greater than in the Arctic (Nunavut) (Ibid., p 24). Ames (1989) estimates that for the Baffin Region, using results from the Baffin Region Inuit Association's Harvest Survey, covering the 1983-85 period, that, "using an approximate mean figure of 10 dollars per kg as the imputed value (on a substitution basis) of all country food, it would appear that, on average, each hunter is producing $10,000 to $15,000 worth of food per year" (Ibid., p 29).

The territorial government operates two main programs that provide direct input subsidies to trappers and hunters (see Appendix A Table/Graph 24 p 181). One program, the Trappers Incentive Program, provides subsidies to trappers "calculated as a percentage of the value of fur sold, including a gasoline subsidy, and a subsidy on seal pelts (Main Estimates, GNWT, 1989-90 p 13.19). During fiscal year 1989-90, $595,000 is to be transfered to trappers under this program (Ibid., p 13.19).

The second program, The Outpost Camp Program, provides a "contribution to enable northern residents to pursue a traditional lifestyle away from established settlements" (Main Estimates, GNWT p 13.20). The history of this program begins in

January 1974 when the Commisioner of the N.W.T. let it be known in his address to the Legislative Assembly that some Dene people from Fort Resolution wanted to go back to an area around Rocher River that they had traditionally occupied (Hamelin, L., 1979, p 24). With other native groups with similar wishes, the territorial government developed the Outpost Camp Program (OCP) which "of all the support programs presently in place, this is problably the most successful and important (Usher, P., 1989 p 35). Hamelin (1979) argued that part of the reason for the initial popularity of the OCP was that Native people were negotating various land claims and "it is in their interest to go back to the land and show that they have not lost their ancestral skills. The popularity of the OCP is partly linked to the present land claims situation" (p 24). Commissioner Parker describes the state's rationale in setting up the OCP initially, and the issue of increasing the funding for the program, with:

> There was need for people to get some assistance to travel farther to places where the game resources were not under the same pressure. We set up rules and regulations for good reason in order to control the program. Since that time, of course, we have always been under pressure to expand the program and we have responded by adding money almost every year to it and we have also been under pressure to change it to give away more and more in the way of assistance. We have resisted that pressure as best we can because the original concept was simply to help people who decided that they wanted to have a life on the land and who wanted to look after themselves. That was the original concept, to assist those people to do that, particularly because in the north we have a lot of unemployment as well as underemployment. There were not other jobs for people to take to earn a living and therefore, if they expressed a desire of getting off welfare and getting back out and maintaining their skills from the past, we felt this was a good thing to do and that is why the program was set up (Votes and Proceeding, March 4, 1980 p 1126).

State subsidized hunting camps subsequently grew from none in 1975 to 55 in 1977 (Hamelin, L., 1979 p 24). In 1979 there were 65 camps funded, and 782 participants, with an average cost of roughly $400 per person (Votes and Proceeding, March 4, 1980 p 1122). In 1985, there were 1300 persons in 28 permanent and 86 short-term camps subsidized under OCP to the amount of $535,000 (Votes and Proceedings, March 18, 1985 p 726; and Main Estimates, GNWT, 1984-85, p 11.11). Budget estimates for the 1989-90 fiscal year estimate a $444,000 contribution to the OCP (Main Estimates, GNWT, 1989-90). Usher (1989) estimates the cost per outpost camp family at $6500 per year (p 34).

However, Cserpy (1981) points out that "the total per capital assistance to outpost camps is far less than for any other type of community" (p 285). The average number of people living at any one outpost camp is usually about 20 persons, or 4 families (Ibid., p 285).

A GNWT Economic Options Committee Interim Report of 1984, analyzed the cost to the government of OCP grants in relation to average incomes per trapper and social assistance and community housing costs. What the committee found was the following:

> In the Baffin and Keewatin Regions, outpost camp grants far exceed any other source of income to the camp and have higher than average social assistance payments in the communities. Although fur revenues in the western arctic and Kitikmeot exceed the outpost grant, the average grant is in excess of social assistance payments in communities. Housing costs if people were to remain in communties exceed the oupost grant in every case, however. Outpost camp grants are generally more expensive than social assistance but cost less than housing in a community (Economic Options Committee Interim Report, March 1984, pp 2,3).

Usher (1989) points out that "the use of outpost camps is declining, and that they are more heavily used by older people than by the youth" (p 34). Considering problems such as the child's education, Usher (1989) feels that "there may be less interest in permanent or long-term living on the land, yet the outposts may retain an important function as training centres, where people learn their skills" (p 34).

In addition to the direct subsidy programs like the Trappers Incentive Program and OCP, the Department of Renewable Resources administers a number of wildlife support programs. For instance, $778,000 was transfered to Local Wildlife Committees in 1989-90 "to provide administrative support to Hunters' and Trappers' Associations or to Band Councils which provide similar services" (Main Estimates, GNWT, 1989-90 p 13.19). Another program, the Community Harvestor Assistance Program, made contributions of $381,000 in 1989-90 to support local wildlife committees (Ibid., p 13.19). In total, 13 separate programs were funded under the GNWT Department of Renewable Resource Conservation Education and Resource Development programs during 1989-90. . In total, $2.9 million dollars in grants and contributions was made availabe during 1989-90 by the

Department of Renewable Resources to support the traditional native economy in both its commercial and subsistence aspects (Ibid., pp 13.19 & 13.20).

Given the importance of bush food as a source of food for native households and the fact that the harvesting of this food involves a large segment of the native labour force, Native organizations and government are now looking at the feasibility of implementing a hunter support program for the N.W.T. (Ames, R., et.al., 1989; and Usher, P., 1989). Ames et. al. (1989), estimates that the cost of implementing a Wildlife Harvest Support Program (WHSP) across the N.W.T. at $10-30 million per year, "depending on such things as coverage, take-up rate, harvesting costs, and so on" (p 99). Wick (1989) estimates that the impact of a WHSP on the territorial government's budget would not be unreasonable, as savings would be realized from the consolidation of programs currently in place to support native harvesting, in addition to other Department program costs which would be reduced. For instance, "it seems reasonable to assume that a WHSP--by putting people back on the land and encouraging the revival of sharing pattern--could effect a 20 per cent saving in social assistance costs" (p 101).

In summary, a number of observations regarding fur trapping and animal harvesting for food seem clear. Firstly, the petty commodity fur trapping industry accounts for a extremely small percentage of the territorial Gross Domestic Product. Secondly, fur trapping has developed unevenly across the territories and is presently concentrated in the Western Arctic, and in particular, in the Fort Smith region. Thirdly, only a relatively small number of Dene communties depend on trapping income as a significant contribution to total community income. Fourthly, in terms of food harvesting for domestic use, we found that the "imputed value" of country food in the N.W.T. was considerable, particularly in the Arctic. The activity of harvesting involved a large segment of the native labour market, although these people tended to be older native people. The need for a comprehensive producer support program was discussed briefly as a solution to the economic viability and stability of the domestic food harvesting economy.

Finally, we examined territorial state subsidies to fur trappers and food harvestors, through programs such as the Trappers Incentive Subsidy Program, OCP, and others. Given the size of state subsidies to the traditional economy, it is questionable whether trapping and hunting would exist to the extent that they do today in the north without state financial support. It is also questionable, given Stabler's argument that traditional economy is not the preferred vocation for many native participants, what the prospects are for the long term survivability of these activities as older people retire and the younger generation looks to wage employment as their preferred vocation.

Chapter 4

Natives and the Wage Economy

State Sponsored Economic and Employment Development

This section will describe the history of economic development and employment creation programs administered first by the federal state before the transfer of provincial-type responsibilities to the territorial government in the late 1960s, and then by the territorial state following this transfer. It will be shown that the state's accumulation strategy, as reflected in economic development and employment creation programs, has by and large been orientated towards nonrenewable resource development. In terms of federal programs during the pre-transfer period, particular attention will be paid to the federal government's small scale enterprise strategy. This new strategy was administered by the Industrial Division as it emerged from the Northern Administration Branch in the late 1950s. This program was eventually transfered in the late 1960s to the new territorial Department of Industry and Development. The pre-transfer history of Industrial Division will draw substantially from Peter Clancy's 1985 dissertation, "Caribou, Fur and the Resource Frontier: A Political Economy of the Northwest Territories to 1967." During the early 1970s, a separate agency dealing with employment development was created and placed in the Department of Local Government. Employment Development was transfered to the Department of Economic Development (formally Industry and Development) in 1974, and ten years later, moved to the new Department of Advanced Education. The history of this agency and its programs will be looked at along with industrial development programs during the 1970s and 1980s. It should be kept in mind that the distribution of administrative responsibility for Indians, Inuit and non-native residents of the Northwest Territories prior to the late 1960s was divided between the Indian Affairs Branch, the Northern Administration Branch and the territorial government, respectively (Sessional Paper # 8 , 1963 p 199).

Clancy (1985) argues that the federal government's northern development strategy, beginning in the 1950s and based on the primacy of industrial resource extraction, was "dominated by a rather naive assumption that available workers will flow to jobs as they are made available" (p 540). This approach, in being preoccupied with nonrenewable resource development, deflected attention away from public service employment for native people and forms of employment more compatible with local economies (Ibid., p 542). Further, despite the state's emphasis on mineral and petroleum development, it was not until the late 1960s that the first formal agreement was made by the federal government and the mineral industry (Cominco's Pine Point Mine) to hire a percentage of native people (Ibid., p 544). As Clancy argues, "the state was extremely reluctant to insist on standards for local native employment in the non-renewable resource sector" (Ibid., p 544).

While the federal state focused its attention on nonrenewable resource development another wage labour market was developing at the community level (Ibid., p 548). "This was the kind of casual or part time seasonal work which remained tied to local communities. It did not entail spatial relocation, and it often coincided rather flexibly with the requirements of petty commodity production" (Ibid.). The consequences of increased marginalization of northern native people, in large measure a result of the industrial resource bias of federal development policy, was recognized in the late 1950s by officials in the Department of Northern Affairs (Ibid., p 549). A new approach was devised to deal with the growing employment crisis at the local level that revolved around the promotion of small scale community based production (Ibid., p 551).

Beginning in 1959, with the reorganization of the Northern Administration Branch, the new Industrial Division was given the mandate to promote the expansion of small scale commercial enterprises in northern communities (Ibid., p 562) The new Division inherited projects from the former Arctic Division with an additional "stronger awareness that economic support was persistently required at the margins of the broader economic strategy" (Ibid.). The Industrial Branch Director Sivertz put it this way in 1961:

> While the exploitation of the non-renewable resources in the Canadian north will ultimately ensure adequate employment for the present population as well as for workers from other parts of the country, there is a great need for small industries that will add some modicum of cash income to those families - and primarily among the Eskimos and Indians - who cannot readily be absorbed into industrial life. Many of the older people, uneducated and prematurely aged as a result of their rigorous years in a hostile land, would find this transition impossible. In normal circumstatnces they would become increasingly dependent on the younger men who were following in their footsteps as hunters and trappers. Since it is this new generation that will begin the break with tradition and move from the land to industry, the older people must find ways of earning money to supplement what they can glean from the land (Sivertz, B., as found in Clancy, P., 1985 p 562).

The new Industrial Division was to give immediate support to an older clientel by providing local transitional employment until the younger educated generation of native workers were absorbed by industry. "The Industrial Division was expected to contain the casualties of modernization until the broader wage economy fell into place" (Ibid., p 563). As Clancy points out, the small scale enterprise strategy of the Industrial Division was not intended to solve a structural problem, or be necessarily viable in all cases. As Branch Director Sivertz explained at the Resources For Tomorrow Conference in 1961:

> It is not the intention of the government to subsidize uneconomic areas or activities, but in facing a change from paleolithic to contemporary modes, a considerable social investment is required as well as liberal view of the need for immediate profit. Even reductions in relief expenditures constitute a solid social and economic gain (as found in Clancy, P., 1985 p 563).

Towards implementing the small scale enterprise strategy, Division analysts carried out a series of area surveys of the local resource potential in the N.W.T. The surveys helped to identify ways to increase the utilization of local resources both through commercial enterprise and for domestic utilization. Once the surveys were completed "the initiative shifted to the projects section for implementation" (Ibid.). These projects were of both a commerical (market) and domestic nature. A 1964 Sessional Paper presented to the

Territorial Council by the Northern Administration Branch describes the project support undertaken by the Branch:

> If the projects take the form of a commercial enterprise, they may be initiated as co-operatives, financed through the Eskimo Loan Fund, or they may be directly financed by the Northern Administration Branch and later turned over to the people involved. Apart from financial help, the Northern Administration Branch's main contribution takes the form of technical assistance, training and supervision.
>
> Projects which do not take the form of commercial ventures are less formally organized and supervised. Such projects are designed primarily to improve the efficiency of individual hunters or groups of hunters in order to help them to live more adequately from the exploitation of existing resources. Assistance in projects of this sort are provided primarily in the form of technical assistance, training, education and supervision (Legislative Council, GNWT, Sessional Paper No. 13, 1964).

The development of co-operatives was held back in the Western Arctic as the Indian Affairs Branch's "economic policy interest was restricted to land based harvesting activities" (Clancy, P., 1985 p 583). Clancy points out that mid way through the life of the survey program a "basic thematic reorientation took place" (Ibid., p 567). This shift coincided with a change in the department head in 1965 with Gerhart Anders taking the controls. Anders produced an area survey of the Rae-Lac La Marte area and recommended that no positive economic support be given the area's Dogrib people not living in settlements. He recommended that "heavy indirect pressure" be put on the Dogrib in favour of migration from the bush to Rae, Lac la Martre and Yellowknife" (Ibid.). This new approach towards more market driven projects and the removal of native people to urban centres "contrasts dramatically with the founding premises of the Industrial Division" (Ibid., p 567). Clancy sums up Anders critique with:

> "...Anders generated a critique based on neo-classical economic assumptions. This involved more than a question of relative emphasis among complementary thrusts. Rather for it, any state support for land based activities distorted 'the natives' changing way of trading off security for opportunity.' In effect, Anders was expressing a view which we have seen as basic to the overall Departmental growth strategy (Ibid., p 568).

Following a failed effort at co-operative development in Fort Resolution during the mid-sixties, questions were raised about the suitability of co-operatives as a vehicle of change in Dene communities (Ibid.). Clancy goes on to point out that the Department of Northern Affair's small scale industry strategy was pioneered and-by-in large focused on the Inuit of the Central and Eastern Arctic. The Inuit appeared to be in greatest need of support, and they were seen in any case as preferred clientele. The latter notion of the Inuit being the preferred clientele (as opposed to Indians) is reflected in the rather racist remark made by the Deputy Minister of Resources and Development to his Minister in 1949 that,

> most of the Indians in the N.W.T. are inferior in physique, economic status, and social development to Indians residing in the provinces. The Eskimo quite understandably feel themselves to be superior to the Indians in the N.W.T., and they are unquestionably superior in social development and economic status (Keenleyside, H., to Gibson, 9 May 1949, as found in Clancy, P., 1985 p 588).

As discussed earlier, Indian Affairs was responsible for development programs for Indians in the Western Arctic. Unlike the Northern Affairs Branch approach in using small scale industry as a development strategy among the Inuit, Indian Affair's preferred development strategy during the late 1950s and 1960s was a mixture of programs dealing specifically with the domestic harvesting of furs and caribou and the placement of Indians in wage employment (Sessional Paper # 13, 1964). There was some involvement of Indians of the Great Slave Lake area in commercial fishing but it appears not to have been a substantial involvement (Ibid., pp 2-3). As well, during the early 1960s, Indians in the Western Arctic were becoming involved in the tourism industry as guides.

> A successful school for Indian guides was held at Prelude Lake and Snowdrift in the Yellowknife agency this year. A total of forty Indians were involved in this year's program as guides, as well as seventeen in kitchen and domestic work. With the opening of another lodge on Great Bear lake planned for next year, it is expected that the demand for guides will be even greater. Northern Affairs will continue to cooperate by providing a refresher course for guides next spring (Session Paper # 13, 1965).

The small scale industry approach to development among the north's native people, particular as this strategy evolved through the Northern Administration Branch and affected Inuit people, changed with the acceptance of the Carrothers Commisssion's recommendations in 1966 (Clancy, P., p 589). The transfer of the Industrial Division to the new territorial Department of Industry and Development in the late 1960s ended the survey program and the "industrial development effort shifted decisively toward a small private enterprise approach" (Ibid.).

The Carrothers Commission departing from its mandate to focus on political development recommended the creation of a Development Board and Development Corporation "through which financial assistance could be dispensed to private firms. Completely absent was any appreciation of the small scale industry programs pursued by the Industrial Division during the past decade. Nowhere in the report did the co-operative development program receive serious mention, much less recognition for its achievements to date" (Ibid., p 590). It is interesting to note that the N.W.T. co-operative movement has grown rapidly since the late 1960s, however, co-operatives have shifted their focus and have become more retail and consumption oriented than productive in nature (see section on co-operative movement).

With the transfer of provincial-type responsibilities from the federal to the territorial state in the late 1960s, responsibility for the employment of northerners was first placed with the Inter-departmental Coordinating Committee on the Employment of Northern Residents (IDCCENR). "Under the Chairmanship of the Director of Personnel...the Committee is rounded out by the Director of Industry and Development, Local Government, Social Development, Public Works and the Territorial Secretary" (Votes and Proceedings, 39th Session, June 27, 1969 p 664). The first three stated functions of the new Inter-Departmental Committee were:

> 1. To develop more effective measures which will increase the employment of northern residents, both within the territorial government public service and the Northwest Territories as a whole.
>
> 2. To develop a policy which will result in co-ordination of territorial government activities in the employment of northern residents within the government, with the federal government, and with private agencies and organizations.
>
> 3. To review the personnel policies and practices with respect to the employment of northern residents and to make recommendations to the Commissioner which will ensure a realistic increase in the number of

northern residents employed within the territorial public service (Terms of Reference, IDCCENR, GNWT, approved Feb 7, 1972 p 1).

In June 1972, following a November 1971 directive from the Commisioner, the responsibility for the GNWT's role in employment of northern residents and the development of pipelines and the Mackenzie Highway was transferred to a new Division in the Department of Local Government. To ensure co-ordination at the Headquarters level, the director of Local Government was appointed Chairman of IDCCENR and reported directly to the Executive (Hodgson, S.M., to All Directors and Regional Directors, Nov. 1971, p 2).

The decision to create a separate Employment Division solely responsible for employment was the culmination of the growing recognition by the territorial state of the worsening employment crisis among native northerners. For example, between 1967 and 1972 the Territorial Council passed 6 separate Motions concerning the employment of native northerners (see Motion 7, April 10, 1967; Motion 16, Feb. 14, 1968; Motion 17, Feb. 14, 1968; Motion 59, July 9, 1968; Motion 5-44, Feb. 5, 1971; and Motion 10-44, Feb. 10, 1971). The frustration experienced by some of the Councillors regarding the reoccuring theme of native employment in Council debates is captured in the following comment by Councillor Trimble: "... this subject of employment for our indigenous people comes upon the floor at least ten or fifteen times every Session" (Votes and Proceedings, Feb. 1968 p 63).

Another source of impetus for the creation of the new Employment Division was the growing belief that a pipeline to transport Arctic gas to southern markets would be built during the 1970s. Towards insuring that natives would be organized and ready for work when pipeline construction commenced, the consulting firm, Gemini North, was commissioned in November 1971 by the territorial and federal government to conduct a labour pool study. The establishment of labour pools was to be a strategy to fill the manpower requirements of the proposed pipeline or other large northern projects (Annual Report, GNWT, 1972 p 113). The primary objectives of the study were:

1. To determine the feasibility of mobilizing the employable male labour force in specified Mackenzie Valley Settlements through an organized labour pool at the settlement council level.

2. To motivate more northerners to become members of the labour force at least on a part-time basis while retaining an opportunity to continue hunting and trapping.

3. To suggest the agency or administrative structure which might best serve these aims and those of potential employers and possible methods of financing (Gemini North Ltd., 1973).

It is interesting to note that the native labour force in the Mackenzie Valley and Delta area was intensively studied between 1969 and 1974. The writer found 7 federal and territorial sponsored population and manpower surveys and studies carried out during the 1969-1974 period. All these studies essentially were carried out in anticipation of major oil and gas activity taking off in the Mackenzie Valley (Data Management Section, Policy and Planning ACND Division, Northern Policy and Program Planning Branch, 1974, p 1). The territorial state responded favourably to the labour pool concept as recommended in the Gemini North study, and pilot projects were undertaken in Fort MacPherson and Aklavik (Annual Report, GNWT, 1972 p 112).

Early projects of the Employment Division that focused on job creation outside of the public service involved the administration of a federally funded project called Winter Works. The Winter Works program, began in 1958 and was "designed to encourage communities to create additional employment during the winter months through the carrying out of needed public works that would not be undertaken in the absence of the program" (Sessional Paper # 8, 1963 p 209). The Winter Works program ran from October 15 to April 30, with typical projects involving ditching and landscaping, clearing of brush for roads, road allowances, trails, firebreaks and picnic grounds, the demolition and relocation of buildings, construction of skating rinks and and other recreational facilities (Ibid.). Program expenditures and employment generation during the first four years of the program (1958-1962) indicates that a total of 36 projects were funded worth $125,000 and 359 short term jobs were created in the following communities: Aklavik, Tuktoyaktuk, Fort Franklin, Fort

Good Hope, Hay River, Inuvik, Lac La Martre, Fort Providence, Rae, Fort Simpson, Fort Smith, and Yellowknife (Ibid.).

Another important make work program administered by the Employment Division and funded by the federal government was Hire North. Hire North was developed following the announcement of the building of the Mackenzie Highway in 1972, a road construction project undertaken in anticipation of the building of a Mackenzie Valley pipeline. The project employed and trained approximately 30 to 50 native workers on a seasonal basis until 1977, when the project was completed and Hire North went into a year hibernation. "A permanent construction training site was established in 1973, at which potential workers were trained in actual construction conditions in order to prepare them for jobs in the construction industry, particulary in heavy equipment operation" (Annual Report, GNWT, 1977 p 62). In 1978, the Hire North Committee was reorganized "to provide for greater involvement of the Dene and the Metis people in the management of the Hire North program...and a right-of-way clearing and earth moving commenced in early November with completion of the section scheduled for 1983" (Annual Report, GNWT, 1978, p 50).

The Employment Division was also administering a newly developed In-Service-Training program established to provide state employment for "Native Northerners, especially those who could have difficulty acquiring middle management positions through normal channels" (Annual Report, GNWT, 1973 p 70). This particular program has evolved into a $4 million per year program in 1988-89 with approximately 88 native In-Service-Trainees (see section on State Emploment).

With two years of operations and study of the northern labour market under their belts, the Employment Division, in early 1975, summed up their analysis of just what native people were facing in the labour market with:

> Wide fluctuations in the labour market make it impossible for the majority of the workforce to enjoy year-round employment; there is geographic isolation of many people in the workforce from jobs opportunities; and there is a lack of formal education and/or specialized training coupled with limited actual work experience. There are also problems of family adjustment, poor

housing, and the very real difficulties faced by many communities coming to grips with their own employment needs (Annual Report, GNWT, 1974 p 68).

While recognizing the cyclical and uneven nature of the northern labour market, this was clearly an analysis that assumed market driven employment as the preferred development strategy; and education, specialized training, and work experience would give native people the tools to prepare themselves for wage employment opportunities.

With the transfer of the Employment Division from Local Government to the Department of Economic Development in 1975, Economic Development became responsible for business development, game management and employment development. Employment development programs operated earlier by Local Government continued to be much the same in the new department. By 1977, there was 100 GNWT middle management training positions largely filled by native people; 25 private sector training-on-the-job contracts; 364 indentured apprentices, with 100 being GNWT employees; and the TERIS system, a computerized inventory of available workers set up in anticipation of pipeline construction (Annual Report, GNWT, 1977). In addition, beginning in 1976-77, the territorial government's first major job creation program, the Subsidized Term Employment Program (STEP), began. During its first year of operation, $832,000 was allocated for community employment projects and an estimated 400 individuals obtained employment for varying lengths of time (Table Document 14-61, March 1977, Territorial Council). Between 1976-77 and 1989-90, $7.6 million was expended on STEP (Main Estimates, GNWT, 1976/77-1989/90) to "alleviate high seasonal dependence on social assistance throughout the N.W.T. by enabling organizations to implement job creation projects for the benefit of communities" (Main Estimates, GNWT, 1989/90).

As mentioned, the Industrial Division of Northern Affairs was transferred to the territorial government's new Department of Industry and Development in 1969. The Industrial Development Division of the new Department took on the responsibility for the existing federal arts & crafts programs, co-operatives and secondary industry. The secondary industry section was to embrace all except arts & crafts projects, and was initially primarily occupied with lumber and fishing industries during its first year of operations (Hodgson, S.M., October 1969 p 23).

By the early 1970s, the Industrial Division was publicly saying that while programmes such as arts & crafts, harvesting of renewable resources, co-operative development, tourism have substantially increased income and employment in many communities, "this type of activity has limited potential for growth and with the rising aspirations of the northern people the number of jobs needed is growing rapidly (Main Estimates, GNWT, 1971/72 p 14.01).

A shift in emphasis seems apparent in the early 1970s due no doubt to the rising expectations of the territorial government that the Mackenzie Valley pipeline would be built during the 1970s. In a 1972 GNWT Annual report, this shift in the Industrial Divisions focus is described as follows:

> During the past year, the attention of the Industrial Division has been focused on preparations for accelerated economic development in the Mackenzie Valley due to the possible construction of the gas pipeline...
>
> A major effort has been made to fill all establishment positions with officers qualified to take part in providing management advice to small businesses, and to assist indigenous people in becoming involved in the wage economy. The emphasis in this regard represents a considerable change from the previous resource harvesting orientation (Annual Report, GNWT, 1972 p 122).

This particular focus on the proposed pipeline construction and the economic spinoffs anticipated are set out in the objectives for the Industrial Division in the budget document of 1972-73:

> 1. To develop a healthy and expanding service and support industry base for the territorial economy.
>
> 2. To develop an adequate employment base for northern residents.
>
> 3. To assist the indigeneous people to participate in, and benefit equally from, the increasing scale of economic activity in many areas of the Northwest Territories (Main Estimates, GNWT, 1972-73 p 9.01).

While the Industrial Division continued throughtout the 1970s to assist and support small industry projects in native communities, the Division's orientation increasingly became more business in nature and towards large-scale resource extraction projects. In a 1977 study on the Department of Economic Development, Laing argued that while not stated explicitly in Department statements,

> "officials of the Department prefer to encourage individual native entrepreneurs, as opposed to a project being community owned. "The reasoning given for this preference is that a community owned project will provide only 'watered down returns" to the community (Laing, R., p 143).

Laing looked at the Research Activities of the Department, which, in a Department information bulletin, were described as being

> ...given to studies needed to ensure that maximum economic benefits are derived from oil and gas, pipeline and highway developments in the Mackenzie Valley (Ibid., p 142).

Laing observed that the research being carried out by the Department was by definition research orientated towards projects being opposed by the Dene at the time (see section on Native Resistence Movement). He advised the Dene that the Department's advocacy of joint ventures whereby southern or northern businesses would team up with local Dene entrepreneurs, was premised on the notion that "outsiders get a piece of the action, and, through their association with Dene, access to the Indian Economic Development fund" (Ibid., p 144). Laing's advice then seems to be the trend today in the north. An example from the Keewatin Region illustrates this phenomena.

The EVAZ Group of Companies, a group of 8 companies ostensibly controlled by two white businessmen, is following a policy to involve "...northerners not only with job opportunities, but also as partners" (EVAZ NEWS, 1990 np). The group's news letter points out that their relationship with private Inuit business interests has been a "fortunate" one "We have been fortunate in our close association with Inuit private development corporations..." (Ibid.). One such association has been with the Baker Lake based Qamanittuaq Development Corporation Limited (QDC). QDC was incorporated in 1985 by 20 Inuit and got its corporate start by constructing a one-storey office building in Baker Lake and leasing it back on a long-term contract to the GNWT (Ibid.). The EVAZ Group supplies "development and management skills" to QDC, thereby benefiting from QDC's leasing contract with the state and any access QDC may have to state credit assistence available only to aboriginal businesses (ie., Eskimo Loan Fund and Special Rural Development Agreement).

Turning back to our discussion of the Department of Industry and Development, the department's business orientation is evident in the way it distributed its resources between divisions. With a Department budget of $4 million dollars in 1971-72, 60% of the funds went to Industrial Development while game management received only 18% of the funds (Main Estimates, GNWT, 1971/72 p 14.03). Game Management was responsible for "assisting that large segment of the indigenous people still depending for their livelihood on natural renewable resources" (Ibid.). This particular distribution of funds that emphasised industrial development over game management should not be suprising given that the Department's overall mandate was business development. What is at issue here however, is the placement of game managment in the Department of Industry and Development in the first place (see P. Clancy's "Political Devolution and Wildlife Managment in the NWT" for a discussion of this issue). Suffice to say that, in 1975, the Fish and Wildlife service, as it was renamed, was moved to a new Department of Native and Cultural Affairs.

Organizationally, by the mid 1970s, Industry and Development had relinquished reponsibility for fish and wildlife, taken on the Employment Development Division from Local Government, and changed its name to the Department of Economic Development.

Throughout the 1970s, as mentioned, the Department of Economic Development owned a number of small commercial enterprises that were located largely in native communities throughout the N.W.T. "As of April 1978, there were 30 revenue generating projects and 18 development craft projects, employing approximately 1000 full-and-part time workers generating $3 million in revenue and $2.5 million in income to Territorial residents" (Annual Report, GNWT, 1978 p 48). These projects consisted of sewing shops, parka shops, fish plants, a sweater factory, a jewelry studio, tapestry studio, canvas shop and fur garment shop as well as grocery stores and a dry cleaning business (RT & Associates, 1989, p 14). While we have been pointing out that the Department approached these projects with an eye on their bottom line or market viability, by 1980 "in the spirit of privatization, most of them were either sold, where possible, or shut down completely because they were not profitable" (Ibid.).

A 1989 study by RT & Associates reviewed and accessed Economic Development and Tourism's programs in the north, and pointed out that "since 1980, at least, Government of the Northwest Territories economic policy has been based on the principle that the private sector should take the lead in developing the northern economy" (Ibid., p 11). The result of this overall government approach was that "almost all of ED&T's programs were geared to creating and assisting small businesses, and they still are because the department's programs have not yet changed to reflect its new mandate" (Ibid.). The new mandate referred to is to "promote and assist in the development of private and publically sponsored business enterprises that will create jobs and income for northern residents" (Ibid., p 2).

The RT & Associates study makes some interesting observations and recommendations regarding Department programs that are now focused on "helping entrepreneurs start new businesses or expand existing ones" (Ibid., p 3).

> 1. Their success has been limited mostly to those larger communities which already had, or had potential for a viable private sector.
>
> 2. The programs have depended heavily upon private sector leadership. They are not make work projects. They require a minimum market size, sound management, some equity on the part of the entrepreneur, and the enterprise must be viable...these criteria can not be met in smaller communities.
>
> 3. There is a great need for export businesses. Someone has to develop them. The private sector is unlikely to take the lead - outside of major non-renewable resource projects. Government must take the lead - even for projects that are more akin to "make work" projects than businesses.
>
> 4. Economic Development and Tourism has been discussing setting up a crown corporation to operate various kinds of enterprises like the ones which previously were run by the department (and then privatized). This makes sence. Even if the enterprises have to be subsidized for a long

period of time, it is better to have people working than living on welfare (Ibid., pp ii-iii).

If the northern state shifts its present bias towards private sector development in the north and provides capital to local projects through a crown corporation decidely "make work" orientated, this shift will clearly signal that the northern state substantively acknowledges the bankruptcy of pas development policy. It will raise the question about how much the state is willing to pay to subsidize the employment of northern natives. If the northern state does move significantly in this direction, there will likely be resistance from the more reactionary elements in the non-native business community. However, this may not be the case, particularly in the long run, if non-native business interests find ways to profit from state subsidies to local native run enterprises.

Returning to the Employment Training Division of Economic Development, by the late 1970s it was becoming evident to the Division that the public sector continued to be the major employer and dominant economic force in the NWT. "Of particular concern is the fact that short term job creation programs have come to represent a major employer in the NWT providing tempory jobs for more people than the mining sector employs on a full time basis. In the future, a greater emphasis will be placed on the creation of long-term, production employment opportunities" (Annual Report, GNWT, 1978 p 78). The preferred future of more private sector induced employment was at the basis of a department reorganization in 1979.

In 1979, ED&T was restructured and all program activities related to business development were placed in a newly created Commerce Division. The Employment Division, now called Manpower Development, continued to administer the government's in-service-training program, on-the-job private sector contracts, apprenticeship training program, STEP, TERIS and Hire North. In addition, towards placing natives in long-term, "productive employment," Manpower Development, "is actively involved in developing a variety of methods to place northern labour with the mining, petroleum and service industries" (Annual Report, GNWT, 1979 p 20). The methods employed by the Division to employ more native people in industry involved changes in entry level and training programs, orientating industry supervisors on how to operate effectively with employees of native ancestry, and providing guidence counselling to trainees (Ibid.). It is interesting to note that although the first industry participants in the program were three mining companies, the two which are still operating today, Lupin and Cominco (now Nerco), have very poor records of employing native people, particularly Nerco (see section on Mining and Natives).

In 1983, the Division's final year of operation in the Department of Economic Development and Tourism, the programs offered were almost unchanged since 1975 when the Division was transfered from Local Government. What did change was the result of a feverish level of petroleum exploration in the north during the early to mid 1980s. The Division was now placing a particular emphasis on the petroleum industry "where apparently 1000 northerners were employed as of September 1983" (Annual Report, GNWT, 1983 p 36). The Norman Wells pipeline project was starting up at this time and Beaufort Sea exploration was being fueled by the largest tax holiday in the petroleum industry's history. The federal government in 1982 implemented the Petroleum Incentive Program (PIP) that increased capital assistance payments from $9.6 million in 1981 to $703 million in 1982 (Bureau of Statistics, GNWT, 1988 p 10). The program continued to 1986, injecting over its life $3.5 billion in capital assistance payments to support oil industry explortion activity in the N.W.T. (Ibid.).

As mentioned, the Manpower Development Division was moved out of the Department of Economic Development and Tourism in 1983. Following the recommendations made by an interdepartmental committee set up by the Executive Council in 1983 to look at the issue of training and employment in the north, the new Division of Advanced Education was created and placed in the Department of Education. ED&T transferred Manpower Development and Apprenticeship training to the new Advanced Education Division, and the Department of Personnel transferred its training Division to

Advanced Education. Summing up the new Division's employment development focus over the 1984-1988 period, the Deputy Minister of Education explained:

> Since 1984 the Department of Education has been successful in establishing an additional position in each region with responsibility for employment development. The Department has been able to increase the funding for the TOJ Program to $600,000 in 1987/88. This will be reduced to $300,000 in 1988/89 due to overall government cutbacks. At the same time, the Department evaluated the budget in Advanced Education and placed a high priority on employment development activities. This allowed for a diversion of $500,000 to fund the private sector Apprenticeship Subsidy Program. Other than minor amounts of O & M funding, this represents the sum of employment development resources in the NWT (Handley, J., to Minister of Education, March 14 1988 p 2).

The goals set by the Employment Division during the late 1980s relate to higher levels of employment for long-term northern residents; increasing the skill levels of the population and "training programs geared directly to employment" (Ibid.). The document being referenced here was an options paper with the purpose of suggesting options for restructuring the Employment Development Division. There were four options which ranged from minor reorganizational changes within Advanced Education, to the creation of a new Department of Employment Development. This latter option would solve "the problem of competing priorities with a large department and would result in the establishment of a department with an achievable mandate. The organization would have visibility and would provide a focus for residents who require services in the area" (Ibid., p 6). The options paper was subsequently shelved in favour of other expenditure priorities, ie., creation of three new Departments on April 1, 1989: Department of Transportation and Safety and Public Works, and the elevation of the Energy, Mines and Resources Secretariate to Department status (Main Estimates, GNWT, 1989-90).

While the focus in this section concerning the post-transfer period has been on the territorial state's role in economic and employment development, the federal state has played a major role in employment and training over the past 20 years in the N.W.T. through the Department of Manpower and Immigration. McDermott and Young (1989) analyzed all job training programs in the N.W.T. between 1971 and 1983 that were administered by the federal and territorial governments. CEIC funded the bulk of these training programs, which, according to McDermott and Young (1989), "have been implemented in such a way as to induce cultural change among native trainees and, ultimately among the native population as a whole" (p 201).

CEIC also operates an Employment Development Branch that administers a number of Canada wide, short term employment programs. A project catalogue from the Employment Development Branch of CEIC covering the period 1973-1981 lists 13 separate programs operating in the north during this period. In total, federal contributions to these programs amounted to $18.9 million between 1973-1981, with 7,296 short term job created (CEIC, 1982). While no figures are presented to show the number of native people who took part in these programs or the duration of the employment, the number of jobs created and the location of the employment by community is shown. Employment by community over the 1973-1981 period indicates that approximately 75% of the employment went to native people, or 5472 short term jobs, and an average of $2592 was paid to each worker (CEIC, 1982). In summing up the activities of the CEIC in the Northwest Territories over it first 10 years of operation (1967-1977), a territorial government document commemorating its own tenth anniversary had this to say:

> These activities will bring to bear a "Community Employment Strategy" on the chronic problems of under-employment and unemployment in the Arctic, and increase the number of native counsellors on staff, who will be better able to relate to the native population in their own language. It also will encourage viable economic development within regions of the N.W.T. so people can realize their potential contribution to the national economy, and prepare for a delivery system and training strategy in the event of major development in the Arctic (Decade of Progress, GNWT, 1977 p 65).

CEIC continues to be a key state agency in the north mandated to provide employment and training to northern natives. CEIC spent over $14 million in the NWT during 1988 on various employment and skill training programs, much of which was targeted at native northerners (Employment and Immigration Canada, 1988). The particular orientation of its training programs, as described by McDermott and Young (1989), appear to be biased towards industrial employment. As pointed out, CEIC's short term employment projects appear to be community centered "make work" projects, in much the same manner as the territorial government's STEP is (CEIC, 1982).

In summarizing this section, what has been examined here is past and present federal and territorial program and policy initiatives intended to expand the territorial economy and create employment opportunities, paricularily as they affected native people. What this analysis has shown is that the state (federal and territorial), through its employment and economic development programs attempted to define a role for native people in the northern economy. Early federal state initiatives, beginning in the 1950s, attempted to support domestic production and small scale industry as temporary measures until the younger native generation, newly schooled, was absorbed into what was assumed would be a non-renewable resource dominated labour market. With the transfer of government to Yellowknife in the late 1960s and the beginning of oil and gas exploration in the Beaufort Sea, the new territorial state began to gear its economic development and employment programs towards oil and gas related activity. By the mid 1970s the government found itself being the largest employer of native people despite its statements and efforts in support of oil and gas and mining related employment. Beginning in the 1980s, the territorial government privatized and sold off what support they were providing for small scale industry development in native communities and adopted a more decidedly business orientation in their initiatives to stimulate business and employment opportunities. The Beaufort Sea exploration boom stimulated by the federal government's Petroleum Incentive Program (PIP) and the Norman Wells expansion project during the first half of the 1980s focused government efforts to employ native people on employment in the oil and gas industry. As discussed in earlier sections, the territorial Minister of Economic Development and Tourism, Mr. Wray, now feels that the past economic development and employment programs have failed because they assumed that the private sector, notably the oil and gas and mining industry, would take the lead. As this has clearly not been the case, and chronic unemployment is the reality, the government now thinks it will be impossible to find jobs for but a minority of unemployed native people in the north. We now turn to an examination of the state as a direct employer of native people as civil servants.

The State and Native Employment

This section will look at the extent of native employment with both the federal and territorial governments in the north over the past 20 or so years. The occupational distribution of native employees will be examined along with the territorial government's Native Employment Policy instituted in 1985. The idea of affirmative action as a "co-optive" devise will be looked at in light of Bonacich's (1981) research in this area.

The primary agents of change in the N.W.T. during our study period, the state and private capital, have expanded at a rapid pace, particularly since the late 1960s. Government employment has increased from approximately 2500 employees (federal, territorial) in 1969 to approximately 8000 (including municipal government) in 1988 (see Appendix A Table/Graph 25 p 182). Simply put, the most important source of employment for native and non-native people in the north over the past 30 years has been the state. The state has become the most important employer of native people at both the community level and in the major population centres.

The proportion of native employees in the territorial government seems to have fallen between 1969 and the mid to late 1970s. For instance, as of May 31, 1969, there were 624 full-time employees in the territorial government, of which 149, or 23.8%, were native (Votes and Proceedings, June 27, 1969 p 663). In 1975, while the total number of native GNWT public servants had increased to 250, the proportion had fallen to 7.0% (Equal Employment Directorate, GNWT, 1988). Ten years later, in 1985, native employment had increased to 1136 native employees, or 30.0% of the territorial public service (Ibid.). Three years latter, in 1988, native people represented 32% of the territorial public service and 1,378 employees (Ibid.).

Native employment with the federal public service in the NWT has increased as well. Employment of native people with the federal public service in the NWT rose from 281 in 1974 to 448 in 1980 (Northern Affairs Program, 1981). The 1980 figure accounted for 16.0% (448/2,785) of the total federal government workforce in the NWT (Ibid.) Based on the data available in 1988, native participation rates in the northern federal public service do not seem to have increased since 1981 (INAC, Native Employment Coordinator, personal communication, 1988). Certain departments, such as Indian and Northern Affairs Canada (INAC), have considerably larger native participation rates. INAC reports a 33% native participation rate in the north, or 58 employees out of 175 (Ibid.).

As discussed in an earlier section, the territorial government almost from its inception in the late 1960s, began to set aside an increasing number of native in-service-training positions. The 1973 GNWT Task Force on Personnel Policy is said to represent the roots of what became in 1985 the Native Employment Policy (Bell, M., 1989 p 6). In 1976, the Task Force published its final report and recommended "several specific recommendations which laid the foundation for the present Native Employment Policy" (Ibid., p 6). Recommendation Number Seventeen and Eighteen stated:

> The Task Force recommends the adoption as a major objective of the Territorial Public Service, that the Public Service should reflect at all levels the ratio of native northerners to the population of the Northwest Territories. For the purpose of this objective, native northerners would be defined as Indian, Inuit, and Metis.
>
> The Task Force Recommends that in order to meet the objective in Recommendation Seventeen, training positions be created, available to northerners, up to ten percent of the total establishment of the Public Service (Ibid., pp 6-7).

As pointed out by Bell (1989), the Task Force was quite serious about its recommendations as Appendix D of the Report, "Goals of the Government of the Northwest Territories," makes clear:

> Emphasis at this time will be given to policy guidelines which give priority to: ...the increase in participation and responsibility of native people within the institutions of the Government of the Northwest Territories (Ibid., p 7).

Following the release of the Task Force's recommendations, the Commissioner created the Office of Native Employment (ONE) in 1976. The ONE was placed in the Department of Personnel "... to encourage greater pariticipation of native northerners in the Public Service and thereby make it more representative of the people it serves" (Cross Cultural Consulting INC., nd,. p 236). While given this mandate, "the Office of Native Employment did not meet expectations. One of its major handicaps was the lack of a specific native employment policy." (Bell, M., 1989, p 7).

In December of 1987 the Department of Personnel was directed by the Executive Council to review the mandate of the ONE and to assess its future role. As a result of this review the Department of Personnel established a Native Employment Policy (NEP) in 1985. Bell (1989) points out that by 1985 the Executive Council had taken over the responsibilities of the Commissioner and "there was strong support within the Council, and within the Legislative Assembly, to increase the representation of native people with the public service" (p 7).

The new NEP was to "stimulate the employment, training and promotion of native people in the Territorial Public Service so that the service would become more representative of the population it serves" (Boyer, G.E., 1985). Following the announcement of the Native Employment Policy in February 1985, a staffing directive was sent out to all territorial government departments that stated:

> Native people who are eligible for affirmative action as per the Native Employment Policy will be given priority for appointment to all positions in the Territorial Public Service that are filled by competition. To receive this priority, a native person must be qualified and suitable for appointment to the position (Boyer, G.E., 1985).

Bell's (1989) assessment and review of the NEP four years after it began, a review guided by a strict reading of the statistical targets set out in the NEP, concludes that "clearly, the Native Employment Policy has failed to meet its primary policy objectives--to significantly increase the number of native people in the GNWT Public Service" (p 20). Bell's analysis of the failure shows that the GNWT seriously misjudged the significance of "systemic barriers" and discrimination in the hiring of natives. And in the end, according to Bell, "the main reason for the lack of native representation within the GNWT Public Service is the severe shortage of native people with the required education and skills in the general population" (Ibid., p 22). While this statement is probably close to the truth, the statistical failure of the NEP is not the entire issue.

With an increase of only 242 native employees over the period December 1985 to December 1988 (Equal Employment Directorate, 1988), the NEP seems to have done little over the past four years to lessen the problem of high unemployment among the north's native population. On the other hand, the NEP has futhered the development of a class of well paid natives in the northern state. For example, between 1986/87 and 1988/89, GNWT affirmative action program expenditures totaled $10.9 million, of which $6.1 million was allocated to an average of 78 In-Service Training Positions (ISTs) and 12 Education Leave Recipients. In other words, more than 50% of the total Affirmative Action costs were allocated to 90 native people. Thirty percent of the total expenditures were expended on 4 support staff and program administrative costs. Five percent of total expenditures was allocated to private on-job-training contracts, while only 1.3% of total expenditures was expended on adult upgrading (Equal Employment Directorate, 1988).

A cursory analysis of the native people occupying In-Service-Training (IST) positions, reveals that they are on average much better educated and have considerably higher incomes than most natives in the north (Department of Education, 1988). Many native people occupying IST positions are attending universities or colleges in southern Canada for 2 to 4 year degrees (Ibid.). While attending post-secondary institutions in southern Canada, ISTs receive 75% of their salary, or about an average of $25,000 (Ibid.). In-Service-Trainees are also eligible for the full range of student financial assistance programs administered by the Department of Education, GNWT. Upon completing the training program, either through university and college degrees or on-the-job training, there is no legal committment covering the In-Service-Trainee to return to the NWT after completion of their education (Department of Education, GNWT, 1988).

An examiniation of the occupational distribution of native people in the public service points to why the government is attempting to increase the size of the native managerial/professional and technical group in the government. For example, in the Baffin Region in September 1988, of the 12 managerial positions with the territorial government, all 12 were filled by non-natives (see Appendix A Table/Graph 26-35 for an statistical analysis of the occupational classification of native employees by region and pay range.). In the category of Labourer, 34 out of 39 positions were filled by native people. Across the territories native people were represented in 9.0% of the managerial positions and 72.9% of the labourer positions in the territorial public service. An examination of pay levels in the territorial government reveals a significant difference between native and non-native (see Appendix A Table/Graph 35 p 192).

The territorial pubic service has 28 pay levels, from 9 to 37. Examining the top 5 pay levels, we find that, out of 120 positions, 117 are filled by non-natives. Of the 117 non-native positions in the top 5 pay levels, men are found in 96 of them. It is clear that native people, while making up over 30% of the public service, are not well represented in the more highly skilled and better paid occupations. There is another problem here, hinted at earlier, that relates to the process of "co-optation" of natives by the northern state.

Bonacich (1987) in, "The Limited Social Philosophy of Affirmative Action," argues that affirmative action has become a co-optive device. Bonacich asks the question "how does affirmative action help the dominant order? In several ways:"

> **First,** it improves the public statistics on the distribution of people across social strata so that those at the bottom can no longer base their sense of oppression on racism or sexism. They are forced to blame the victim - themselves. **Second,** it reinforces the dominant ideology of individualism. Social benefit, it says, is achieved through individual achievement. **Third,** ...affirmative action strips communities of their intelligentsia. Those people who might have become leaders and thinkers on behalf of their people, who might have dared to raise the dangerous questions of our time, are plucked off and brought in and domesticated and thereby silenced. **Finally**, these

> new recruits to the professional-managerial stratum are themselves made into watchdogs of their communities. University trained Indians often become prime candidates for employment by the BIA, for example (Bonacich, E., 1987 p 106).

An analysis of the affects of the territorial state's affirmative action program on the north's aboriginal people would surely validate some of Bonacich's observations. For instance, regarding Bonacich's third point, most of the 307 native people who have managerial or professional jobs with the territorial pubic service are located either in Yellowknife, or in one of the other four regional centers (Iqaluit, Rankin Inlet, Cambridge Bay and Inuvik) across the territories. Twenty-five percent of the total number of native people in the territorial public service are located in Yellowknife, the birth place of probably less than 10% of these people (Equal Employment Directorate, 1987). Further, there is much evidence to suggest that native recruits to the professional-managerial stratum of the territorial public service are being co-opted "into watchdogs of their communities." It is also clear, that, as the territorial public service becomes increasingly more representative of the native population, "those at the bottom can no longer base their sense of oppression on racism." It is interesting to note that many of the former native activists, who worked for northern native organizations in the 1970's, are now working as state employees or Members of the Legislative Assembly of the NWT.

In addition to the "co-optive" nature of affirmative action programs, Morton (1981) points out the way that affirmative action programs aimed at aboriginal peoples in Canada deflect attention away from the more basic problems facing Canada's native people.

> In addition, one may be concerned that the movement toward affirmative action may deflect attention (and resources) away from the more basic problems facing the masses of Canadian natives: poor housing, inadequate medical care, poor education (which transmits nether basic skills nor pride or knowledge of the native heritiage), unemployment, etc. Policies aimed at attacking native inequality at its roots would be far more expensive (and more successful) than palliative and relatively inexpensive measures, such as the hiring of fixed numbers of natives for selected public service positions (Morton, W., 1981 p 34).

While Morton's statement surely applies to the north, and is an important observation, it does not reveal the importance of "co-optation" as a device used by the state to legitimize itself. While it is beyond the scope of this work, it would be an interesting exercise to study in more detail Bonacich's model of co-optation in light of the northern state's mission to have a civil service proportionately represented by natives.

In summary, this section examined the extent of native employment in both the federal and, in more detail, the territorial government. What was found in this examination was that government is the single largest employer of native people in the north. With the advent of the territorial government's policy of a public service proportionality represented by native people, a more determined effort to hire and train natives was launched. The northern state's mission to accelerate the hiring of native people was viewed from the perspective of Bonacich's "co-optive" model of affirmative action and some initial observations were made to its applicability to the north. It was concluded that more work in this area was needed. We turn to an examination of native employment in the oil and gas industry in the north.

Oil and Gas and Native Employment

This section reviews government, industry and academic studies and data pertaining to the involvement of native people in the oil and gas industry in the north. The focus is almost entirely on the Western Arctic, particularly since the mid-1970s, for this is where most of the north's oil and gas activity is centered. Attention is paid to the impact that the 1985/86 downturn in oil and gas activity in the Beaufort Sea and Mackenzie Delta and the end of the Norman Wells Expansion Project in 1986 had on native unemployment and welfare. The latter analysis is preliminary in nature and is provided to point out the uneven nature of the impact on native communities from a downturn in non-renewable resource activity.

Native employment in the oil and gas industry did not begin in any significant way until 1971, when Panarctic Oil Ltd., made the decision to hire Inuit workers from Pond Inlet and Arctic Bay for their High Arctic exploration sites (Juniper, G., 1986). Eric Gourdeau

(1973) analyzed the social impact of Panarctic's Employment Policy in Arctic Bay and Pond Inlet and reported that during 1972-73 period "the number of Panarctic Eskimo employees, at any given time, is 36 for the two communities, more than that have been hired and have worked on the sites in the last 18 months. Some of them have quit to get jobs in their village, others to take courses and some were temporarly replaced" (Ibid., p 5).

With the discovery of natural gas in the Mackenzie Delta during the early and mid-1960's "several companies (notably Imperial, Gulf, and Shell) created job training programs for northerns residents. These programs were administered by each company separately, and consisted, for the most part, of on-the-job training" (Shorn Consulting Ltd., 1984 p 1).

The Canadian Arctic Gas Pipeline Consortium, in its 1972 application to the federal government and the National Energy Board to build a natural gas pipeline down the Mackenzie Valley, approached the question of training and employment of northern natives from a "broader context of the whole process of development which is currently taking place in northern Canada and in the context of interethnic relationships which underly and pervade all other aspects of community life in the north" (Arctic Gas, 1972). According to Arctic Gas, recently formed native "politically-orientated activist groups" were developing into an effective instrument for expressing native discontent, as were elected native members of the Territorial Council (Ibid., p 13). For Arctic Gas, the solution to easing native discontent was for government "to realize its stated social and economic objectives for northerners as a disadvantaged people, and as private industry demonstrates a genuine interest by helping northerners to become more fully involved in the process of industrial development" (Ibid.). To fail is this important task, was for the Arctic Gas Consortium, a recipe that would surely "invite an increase of instability in the social and political climate within which the pipeline will be built, and subsequently operated" (Ibid.). It was even suggested that, as part of an orientation program for new northern native pipeline employees, they should be encouraged to "buy shares in one of the pipeline companies as a means of saving and investment. In this way, the northerners concerned may feel more closely related to the benefits to be derived from pipeline development" (Ibid., p 23). By the early 1970's numerous oil industry training programs were in place.

With the release of DIAND's report "Guidelines For Northern Pipelines" that "stressed that some of the economic benefits of northern development -- specifically jobs -- should accrue to northern residents" and in anticipation of a Mackenzie Valley Pipeline and major oil exploration/development in the Beaufort Sea and Mackenzie Delta area, a number of major multinational oil corporations (Canadian Arctic) organized the Nortran Training Program in 1974 (Shorn Consulting Ltd., 1984 p 2). NORTRAN operated for approximately 2 years, dissolving in December, 1976, after the Berger Inquiry recommended delaying the building of the Mackenzie Valley Pipleline for 10 years or until land claims in the Western Arctic were settled. The stated objectives of the program were:

1. To provide training and employment opportunities for northern residents;
2. To consult with northerners in implementing the provisions of the plan;
3. To secure government assistance and cooperation (Shorn Consulting Ltd., 1984 p 2).

When the program came to an end in December 1976, the 114 native participants were "all offered permanent jobs by the participating companies. Only a limited number of the postions offered were located in the north and as a result many participants returned home with no immediate employment oportunites" (Ibid., p 8). An examination of the types of training received by NORTRAN participants shows most were trades related or technical in nature - skills that could be transfered to other jobs (Ibid.).

In order to keep track of the native people hired by the petroleum industry and to facilitate their employment in the industry, the Petroleum Industry Committee on the Employment of Northern Residents was formed in 1969. "The object of the Committee composed of representatives of Government and Private Industry, is to help residents in northern Canada find employment in the oil and gas industry and thereby benefit from the development of Northern Canada's resources" (Petroleum Industry Committee, 1975).

While the committee was operating it conducted yearly surveys on the employment of northern residents in the Exploration industry. These annual surveys during the 1971-78 period reported an average of 400 seasonal jobs per year going to Dene and Inuit people from the Mackenzie Valley and Delta communities (see Appendix A Table/Graph 36 p 193). Most of this employment was concentrated in the native communities of Tuktoyaktuk, Coppermine, Aklavik, Fort Macpherson and Pond Inlet. In 1985, 140 people from Tuktoyatuk and 115 people from Aklavik obtained short term or seasonal employment with one of three petroleum companies - Esso, Dome, and Gulf (Economic Working Group, ED&T, GNWT, 1986; see Appendix A Table/Graph 37 p 194). During 1985, the final year of major oil and gas exploration activity in the Inuvik Region, an estimated $11 million dollars per year of oil industry related wages and $77 million in business expenditures poured into 7 Inuvik Region communities. (Ibid.). The Inuvialuit communities of Tuktoyatuk and Aklavik earned over $2 million per community during 1985 in oil industry wages (Ibid.). When oil prices crashed in 1985/86 most of this employment was lost.

An Economic Working Committee formed in early 1986 to report to the Executive Council on the impacts of the oil and gas industry slowdown on the business and employment prospects in the Inuvik Region had this to say regarding the social impacts on native communities that had come to depend on petroleum industry employment and income:

> In terms of the social impacts of the downturn, the Department of Social Services foresees a significant increase in the demands on the Social Assistance Program. In most instances, UIC will come into effect for the short term, cushioning the immediate economic hardships. Once these benefits have been exhausted, however, and without the recipients' obtaining alternative employment or skills training, dependence on Social Assistance will result.
>
> The Department also feels that the group suffering the greatest impact will be the young population who, for most of their working lives, have enjoyed the independence provided by regular, well paid employment. This group does not have the ability to revert to the traditional lifestyle, nor does it have, at the present time, the skills and experience which could be transferred to employment in other sectors (Economic Working Committee, Inuvik Region, GNWT, 1986 pp 2 & 3).

An examination of social assistance expenditures in the Inuivk Region over the period 1985/86 to 1987/88 confirms the GNWT Department of Social Services's prediction of a significant increase in social assistance payments following the downturn in oil and gas exploration in the Region (Department of Social Services, 1988). The Inuvik Region over this period experienced a 88.2% increase in social assistance expenditures compared to a territorial increase of 62.3% (Ibid.). The North Inuvik area that supplied most of the oil workers experienced a 122% rise in social assistance expenditures over the three year period. The South Inuvik area on the other hand experienced only a 32% rise, less than half of the overall rise in territorial social assistance expenditures at 62.3% (Ibid.). However, if we look at the individual community level data this overall pattern varies significantly by community.

Aklavik and Tuktoyatuk that supplied, second only to Inuvik, the largest number of workers and received the largest proportion of petroleum related income, did not experience a similar increase in social assistance. Tuktoyatuk's social assistance payments increased by 104%, 15.8% above the Region's overall increase, while payments to Aklavik went up 57%, 31% below the Region's growth (Department of Social Services, 1988). Aklavik appears to have lost 115 part-time and seasonal jobs and over $2 million in wages in the downturn but only increased their social assistance needs by $63,025 over the 1985/86 to 1987/88 period (Ibid.). On the other hand, Paulatuk appears to have lost 4 jobs and $73,625 in wages, while increasing their dependence on social assistance by $179,112 between 1985 and 1988, more than offsetting their lost wage income (Ibid.). Part of the explanation for the rather low increase in social assistance expenditures in Aklavik, particularly during 1986/87, may be found in the high increase in Unemployment insurance recipients in Aklavik in the fall of 1986 (CEIC, 1988). Unemployment Insurance recipients in Aklavik leaped from 8 in July 1986 to 62 in September 1986 (Ibid.).

The community with the highest increase in their need for social assistance, Arctic Red River, up 277%, had the lowest petroleum related wages of any of the seven main communities that supplied workers. In 1985, Arctic Red River reported $45,000 of oil and gas related wages (Economic Working Committee, ED&T, GNWT, np 1986). Social Assistance payments for Arctic Red River increased from $10,832 to $40,838 between 1985/86 and 1987/88, partially offsetting the lost wage income (Department of Social Services, 1988).

In summary, what seems to be the case following the downturn in the Inuvik Region is that social assistance intake, while significantly increasing overall, was not predicated solely on the loss of oil industry related wages. Others variables, such as alternative employment, must be at work here. This seems to be particularily the case with Aklavik. Aklavik lost over $2 million a year in wages and gained only a small percentage back in social assistance intake, although one would expect that the huge increase in Unemployment Insurance payments beginning the fall of 1986 had a dampening effect on social assistance intake during 1986/87. Leaving the Inuvik Region we turn now to native involvement in the Norman Wells oilfied expansion and pipeline project.

In 1981, the federal governent approved an application by Esso Resources and Interprovincial Pipeline to expand Esso's existing facilities at Norman Wells and build an oil pipeline from Norman Wells to Zama Lake to connect with the existing pipeline system. During the construction phase of the project - 1982 to 1985 - the native labour force comprised approximately 22% of the total labour force in each of the four seasons of construction (Stewart, D. and R. Bone, 1986 p 7; see Appendix A Tables 38-39). Twenty-two percent of the labour force amounted to approximately 870 seasonal jobs over the 4 year period (Ibid.). The vast majority of these jobs went to either Dene or Metis workers from the Western Arctic (Ibid., p 20). Only 13 Inuit obtained jobs at Norman Wells (Ibid). In 1982, 1983, and 1984, males formed approximately 75% of the labour force and by 1985 this was reduced to two-thirds (Ibid.; p 7).

The main points noted by the Stewart and Bone study, Changes in the Norman Wells Labour Force 1982 - 1985, concerning the type of employment obtained by natives during the Norman Wells project, were:

> 1. there is a significantly lower proportion of natives employed in the managerial, administrative and professional categories than for non-natives;
>
> 2. in 1984, with the beginning of operation of Shetah Drilling, the importance of well drilling to the native labour force increased; and
>
> 3. in 1985 construction and trades employment remained an important component to the native labour force while it had declined somewhat for non-natives (Ibid., p. 13).

While the majority of native people were labourers on the pipeline this should not dismiss the fact, according to Evoy (1985), that "labouring on pipelines is the most demanding of all jobs on such a major project" (p 21).

Four Dene communities, Fort Good Hope, Fort Franklin, Fort Norman and Fort McPherson, received the largest share of the native employment (Stewart, D. and R. Bone, 1986 p 20). It is interesting to note here again that the loss of large numbers of jobs does not necessarily lead to large increases in social assistance payments. This seems to be the case with Fort Good Hope, that, while supplying a large contingent of workers to Norman Wells (45 in 1984), did not experience a large increase in social assistance payments following the end of the project. Fort Good Hope's social assistance intake increased by only 8.4% between 1985/86 and 1987/88 (Department of Social Services, 1987).

What probably explains this low increase in Fort Good Hope's social assistance needs is the employment opportunities created from Fort Good Hope's precedent setting agreement to a joint venture with Chevron Canada Resources in June 1987.

> This agreement allows for exploration to be conducted on a one million tract of land centred about 60 km SW of Fort Good hope.
>
> Under the Agreement, the Fort Good Hope community and Chevron become partners in a Joint Venture designed to achieve three primary goals. The first is to minimize the potentiall negative impacts of the Joint Venture Agreement on the traditional culture and lifestyle of the Dene/Metis residents, including their harvesting of renewable resources (hunting, trapping and fishing). The second goal is to compensate the Dene, Metis and other residents for any economic damage and interference that might

> occur as a direct result of the Joint Venture operations. The third is to ensure that local residents are involved in the operations to the greatest degree possible (Chevron Canada, np 1987).

Between June 1987 and April 1988 approximately 129 Fort Good Hope/Colville Lake Dene/Metis obtained employment as a result of this project (Chevron Fort Good Hope Joint Venture Information Release, 1988). In addition to wage employment, Chevron is promoting the establishment of community businesses. "Attention was focused on establishing businesses that would provide long-term benefits to the community" (Ibid., p 2). One such company, Star Tech Incorporated Ltd., was incorporated in 1987.

> Through ownership and operation of this company, the Fort Good Hope community have the opportunity to acquire operational skills using state-of-the-art satellite navigation systems for survey positioning. In addition, they will acquire a firt-hand working knowledge of all aspects of business operations. This should enable Star Tech to achieve a competitive edge in the business community, North or South, for future business contracts (Chevron Fort Good Hope Joint Venture Information Release, 1988).

A recent news story reported that Star Tech was recently bailed out after near financial collaspe (Langford, C., July 10, 1989 p 15). Star Tech received $100,000 "financial boost from the Federal Business Development Bank after near collapse having lost $200,000 on a federal government survey contract on Banks Island for the Inuvialuit land claim (Ibid., p 15). Company President, and former Dene MLA, Frank T'Seleie, commented on Star Tech's new financial status with "never mind the break even, how about the profit" (Ibid.).

In summary, this section has shown that the petroleum industry, since the early 1970s, has trained and hired native workers for oil industry jobs. Through the 1970s, particularly between 1975 and 1985, multinational oil corporations exploring for oil and gas in the Beaufort Sea and Mackenzie Delta have hired an average of 400 native people, predominantly from Delta communities, to work as seasonal and part-time workers. During the building of the Norman Wells pipeline, Esso Resources and Interprovincial Pipelines hired an average of 217 native workers per construction season, peaking in 1984 with 325 natives workers (Stewart, D. and R. Bone, 1986 p 7). Most of the native workers on the

Norman Wells Project came from Mackenzie Valley Dene communities. With the ending of the Norman Wells Pipeline Project, certain communities, namely Fort Good Hope, did not experience an increase in social assistance dependence, a situation no doubt partly explained by the Joint Venture they signed with Chevron Canada in June 1987. The period between 1982 and 1985, when both the Norman Wells project and Beaufort Sea/Mackenzie Delta exploration were in full gear, stands out as a period when more native people were working for the oil and gas industry than at any other time in the history of the north.

In concluding this section, we observed that the oil and gas industry has developed unevenly in the north, and as a consequence of this uneven development native involvement has been concentrated in a small number of Western Arctic communities. That is, while certain communities have been major suppliers of oil workers (ie., Tuktoyaktuk, Aklavik, Fort Franklin and Fort Good Hope), most native communities in the north have not. Those communities that did become involved in petroleum exploration, largely through supplying wage labour in the Beaufort-Mackenzie Delta area and on the Norman Wells project, were in turn impacted unevenly when the jobs ended.

Mining and Native Employment

This section begins with a brief sketch of the expansion of the mining industry in the north. This is followed by a mine by mine analysis of native employment and the state's approach to the question of encouraging native employment at these mines.

The north's mining industry remained relatively undeveloped until 1929. In this year and 1930 "spectacular" deposits of silver and pitchblend were discovered on the east shore of Great Bear Lake (Woods Gordon, 1982 p 11). Four years later, in 1933, gold was discovered on the north shore of Yellowknife Bay (Great Slave Lake). This led to the opening of two mines, Cominco and Rycon, in 1938 and 1939 (Ibid.).

The combined impact of the rich silver and pictchblend at Great Bear Lake and the discovery of gold deposits near Yellowknife started a small boom in exploration for and production of gold, pitchblend and silver in the Western Arctic. This ended in 1942 when "conditions created by the war brought production...to a standstill...until the extraordinary results of diamond drilling in the Yellowknife area" (Department of Resources and Development, 1952 p 6) in 1944 touched off a renewed expansion. Between 1947 and 1952 gold production from the three Yellowknife mines (Con, Giant, and Discovery) increased four fold, from $2.1 million to $8.4 miillion (Ibid., p 8; see Appendix A Table/Graph 40 p 198). For the years 1954 to 1960, when uranium production stopped at the Great Bear Lake site, the value of uranium production dropped from $15.4 million to $9.2 million (The Northwest Territories Today, 1965 pp 113, 114). The only other significant mines operating outside of the three gold mines around Yellowknife and the Great Bear Lake uranium mine until the late 1960s, was the Rankin Inlet Nickel mine. This mine operated between 1957 and 1962 when it closed down permanently. It was at this mine that native people were first actively recruited to labour at a northern mine.

A number of new gold, silver, lead and zinc, and tungsten mines have opened in the north since the late 1960s. As of March 1990, four gold mines are operating in the Western Arctic with a fifth open pit gold mine to start production in this spring northwest of Yellowknife close to a number of Dogrib Indian communities. Two other large lead and zinc mines operate in the High Arctic.

In 1968, the Commissioner of the N.W.T., S.M. Hodgson, speaking to the Legislative Council of the N.W.T., remarked that "there is this very significant fact that almost all miners employed presently in the Northwest Territories were born elsewhere" (Votes and Proceedings, Feb. 9, 1968 p 161). During this same session a Sessional Paper was tabled on the "Shortage of Miners in the Northwest Territories," arguing that "in the long run, one of the best hopes for providing a stable, skilled labour force for the Territories lies in the solution of the problems of adapting indigenous peoples to such work" (Sessional Paper No. 8, 1968 p 2).

Commissioner Hodgson pointed out as well that, during the second half of the 1950s, the Rankin Inlet Nickel Mine on the west shore of Hudson Bay "made its profit quite substantially only because it was able to use the local labour force to great effect, not simply unskilled jobs, but in skilled work too" (Votes and Proceedings, Feb 9, 1968 p 161). Mr. Williamson, elected Council member from the then Central Arctic riding, during this same Council debate, attempted to "dissipate any impression that Eskimo people, or Indian people for all I know, never work underground," with the following.

> North Rankin Nickel Mine was established in an area where the amount of contact between the Eskimo people and the white had been less than in many other areas. The people were essentially hunters and trappers. They came into the area wearing their skin clothing, having lived in snow houses, and they went into the mine. As I pointed out when I spoke first, a very large percentage of the mine payroll, including underground men, was Eskimo. Not only did this mine operate very successfully and profitably for five years with up to 80% of its payroll Eskimo -- and this is just not labourers on the surface, but in addition to this, I think some people in this area will remember the Eskimo Mine Rescue Crew at Rankin Inlet, that was said by the mines inspector to be one of the best in the Northwest Territories and the Yukon (Votes and Proceedings, Feb 9, 1968 p 165).

Following the closure of Rankin Inlet Nickel mine in 1962, a number of federally sponsored relocation projects were undertaken to transfer unemployed Inuit miners from Rankin Inlet to other operating mines in the N.W.T. and southern Canada (Lloyd, H., 1974). These projects included Tungsten, N.W.T. (1962); Asbestos Hill, Quebec (1963); Yellowknife, N.W.T. (1963); and Lynn Lake, Manitoba (1963) (Ibid.) . In addition, a number of Inuit from the Arctic Coast and Mackenzie Delta were relocated to build the Great Slave Lake Railway, a railway built to service the Pine Point lead-zinc mine opened in 1964. "Eskimos were, numerically, one of the largest groups employed by the company. They filled skilled and unskilled positions at salaries ranging from $1.65 per hour for labourers to slightly over $2.00 per hour for some skilled positions (Williamson, R., and T. Foster, 1975 p 31).

With the end of construction in 1968, the railway became an operational section of the CN system and all the Inuit workers left their jobs, many returning to their home communities (Lloyd, H., 1974). In Lloyd's assessment of why Inuit left after the construction of the railway he observed that few of the Inuit workers had sufficient english skills, few were able to pass union and company certification standards and operation procedures tests. For the few that did pass these examines, the seniority system of the railway meant demotion and replacement by more senior southerners, something "they could not understand..." and "...there was little reason to remain" (Ibid., p 17).

In 1962, three Inuit men from the North Rankin Nickel mines were hired by Canadian Tungsten, to work at their Tungsten mine site located on the N.W.T. and Yukon border (Ibid., p 6).. Two men were hired as maintenance helpers and one as a crusher operator (Ibid.). Due to weaknesses in planning and the social/domestic side of the relocation, the three Inuit left the mine in February 1963, less than four months after arriving (Ibid. p 7). Lloyd explains why this relocation proved to be a failure with:

> While the men had been promised that their families would be moved to Tungsten if they completed the 90 day probation period, they were not prepared to wait that long. Any further relocations from Rankin Inlet to Tungsten were made impossible due to the mining company's inability to provide married quarters on the one hand, and stories of life at the mine site, emphazing the rough and apparently dangerous living conditions, circulated in Rankin inlet by the returned miners on the other (p 8).

The Asbestos Corporation of Canada, feeling it could gain an advantage by hiring Inuit for exploration and development work at Deception Bay, Quebec, "submitted a list of eight Eskimos...to work on the mine development project at Asbestos Hill" to the Department of Indian Affairs and Northern Development (Ibid., p 9). The company asked for the assistance of the Department in arranging a community visit and interviews with former Inuit miners from Rankin Inlet. Following the community visit and interviews, in the fall of 1963, eight Inuit men travelled by ship from Rankin Inlet to work at the mine site. Due to financial problems, the mine was closed the following year. Four of the eight men eventually got jobs with Sheritt-Gordon Mines in Lynn Lake, Manitoba. Lloyd (1975) points out that from the mining companies point of view, the Asbestos Hill rellocation project was a success (p 10). Much of this success is attributed to the fact that the project manager of the mine had previously worked at Rankin Inlet "and personally knew all the men involved. Perhaps even more important, the Eskimos knew the man they were working for and had confidence in what he was proposing" (Ibid.).

Continuing in its attempts to place unemployed Inuit miners from Rankin Inlet in other mine wage employment opportunities, the Minister of DIAND directly appealed to the Chief Executive of three mining companies in Yellowknife (Ibid., p 11). Between September 10, 1963 and January 17, 1964, a total of nine former Rankin Inlet Inuit miners were relocated to Yellowknife to work at the three mines. The mining companies, while agreeing to hire these men, refused to look after their housing needs. This responsibility was left with the Department' s staff in Yellowknife and "arranging this housing proved to be a source of continuing problems which in the end contributed to the men leaving Yellowknife" (Ibid., p 12). Lloyd points out that another problem related to the men transferring money home to their wives and families was a result of their being no initial "preparation of the men or their families for the relocation, as the period of interviews, job offers and acceptance was not more than thirty-six hours at the most" (Ibid.). The men worked at the Yellowknife mines for periods of time ranging from two and a half months to over three years. While most of the men returned to Rankin Inlet, "two of the last men to leave moved to Lynn Lake, Manitoba" (Ibid., p 13). Lloyd's assessment of the Rankin Inlet to Yellowknife relocation project is that it was not successful "from most points of view, with the possible exception of the mining companies which were in a position to tell the Department that the project had failed and that they were not prepared to continue the experiment" (Ibid., p 14).

The last relocation project undertaken by DIAND, with the objective of relocating unemployed Inuit miners from Rankin Inlet, was to Sheritt-Gordon's Lynn Lake Mine in northern Manitoba. Lloyd (1974) explains that,

> ...as such it was a continuation of the relocations to Deception Bay, Tungsten and Yellowknife, with the distinction that the company at Lynn Lake made a more concerted effort to make the relocation scheme work, and have continued to encourage further relocating to the present time (p 22).

Lloyd reports that between 1964 and 1974 over forty Inuit, mainly from the Keewatin, worked for varing lengths of time at Lynn Lake (Ibid.). Many of these men were gradually promoted and became highly paid underground workers. The problems that led to most of the men eventually leaving Lynn Lake and returning to their home communities "were almost exclusively of a family/social nature, stemming from the difficulties of adapting to the southern life-style of the town, particularly on the wives" (Ibid., p 23). By the end of 1969, all the men had returned to the north, and this period, "coincided with (or perhaps gave rise to) the peak in Departmental interest in relocation" (Ibid., p 24). During the early 1970s, Department officials went on a recruiting trip to Rankin Inlet and Chesterfield Inlet, which resulted in a total of six Inuit men and their families and five single Inuit men relocating to the Lynn Lake mine. By the summer of 1974, "all but one of the families had returned to the north, technically on vacation, but with none of them expressing any definite plans to return" (Ibid.).

In summing up the various relocation projects undertaken by DIAND between 1962 and the early 1970s, involving by and large Keewatin Inuit who previously had worked for the Rankin Inlet Nickel Mine, Lloyd (1974) had this to say:

> In terms of providing wage employment, job training and exposure to life in a southern style community, the various relocations have ranged from real successes (up to five years in one case) to total failure, depending on which individual is being considered.
>
> Most relocations (with the notable exception of Deception Bay) were the result of government initiative or industry response to Departmental prodding.
>
> The failures in all these relocations can be traced to difficulties in the domestic/social area. Specifically, the three areas of pre-move training, housing and counselling proved to be critical. Where these areas were not adquately handled (in almost all of these relocations) there was little hope of success. (pp 24-25).

By the mid 1970s, relocation schemes that involved moving native workers, and in some cases families, to new locations for industrial employment came to an end. What replaced these relocation schemes was a new form of migration for wage work. This new scheme did not require resettlement of workers and, in some cases, their families to centres of resource capital. Rather this migration involved long distant communiting (LDC), or rotational wage employment. Both the petroleum industry and the mining industury have used this form of labour migration since the early 1970s in the north. We turn now to an analysis of the record of a number of northern mines over the past 25 years, principally those mines using the LDC labour migration method, as this has effected the employment of native people.

The Pine Point lead-zinc mine, opened in November 1964, stands out as an example of how the absence of special incentives and government/industry programs to encourage native employment can result in minimal benefits accuring to local native people (Macpherson, J., 1978 p 89). Macpherson lists the following factors which discouraged the employment of native residents, chiefly from Fort Resolution, the closest native community to the mine, with:

> 1. The primary impediment to native employment at the mine was the lack of a road from Fort Resolution to Pine Point.
>
> 2. The second major factor which substantially discouraged native employment at Pine Point was the housing situation. Government officials, CMHC planners, and the company failed to consider the housing needs of the native people.
>
> 3. Cominco's actual hiring practices during the 1960s were also a major deterent to native employment. Hire for Pine point was usually conducted through the Alberta and N.W.T. Chamber of Mines, and through centres in Vancouver and Edmonton.
>
> 4. Another major deterent to native employment, which has only emerged during the 1970s and may now outweigh other considerations, is what could be termed the "stigma" which Fort Resolution people associated with working a Pine point. There is some suggestions by younger people in the settlement that working for Pine Point is a "sell out," as Pine Point reaps the profits while simultaneously being able to claim that it employs native people and is thus a "good corporate citizen." (pp 86-89).

Deprez (1971) carried out an economic evaluation of Indian and Metis employment at Pine Point mine covering the construction of the mine and its first six years of operation (1964-1970). Deprez reported that "as far as available documents indicate, native employment during the construction phase seems to have been a minimal" (Ibid., p 117). During the 1967 - 1970 period, Deprez reports that native employment grew from ten employees in 1967, or 4.6% of the mine labour force, to 70 employees in 1970, or 17.0% of the mine labour force (Ibid., p 118).

In terms of native employees home communities, Deprez reports that between January 1966 and December 1969, the community origin of native employees was: 38 hires from Hay River; 5 hires from Fort Providence; 42 hires from Fort Resolution; and 9 hires form Fort Smith (Ibid., p 121). The poor record of the mine in training and hiring native people led DIAND to develop a training agreement with Cominco (Macpherson, J., 1978 p 88). An agreement was signed on November 10, 1969 "aimed at encouraging employment for residents of the Northwest Territories, particularily south of Great Slave Lake, was signed by DIAND, the territorial government, Cominco, and the United Steelworkers Union" (Ibid., p 88).

The agreement created six trainee positions that were to evolve into full time jobs with the mine. Macpherson (1978) points out that the agreement could be cancelled with 30 days notice by any of the parties and the document didn't specifically say that native people were to be given priority, but rather "residents" south of Great Slave Lake. "Since the government was unable to compel the industry to adopt a comprehensive native employment policy, little was accomplished at this time" (Ibid., p 88). Macpherson concludes by saying that although Cominco made considerable efforts during the 1970s to train and employ native people, "little of substance has been accomplished. It seems clear that if native employment is considered a desirable goal, it must be conceived as an integral part of project development, and not as an afterthought" (Ibid., p 91).

Another mine site that has attracted attention for its record of hiring native (Inuit) employees is the Nanisivik mine on northern Baffin Island. Beginning in 1974, Inuit workers from Arctic Bay, Pond Inlet, and Igloolik, as well as smaller numbers from other Inuit communities, were hired for the construction and operation of Nanisivik lead/zinc mine (Hobart, C., 1982). While the agreement between the federal government and Nanasivik mine "laid down percentages on the number of employed Inuit out of the total workforce, (60% of employees were to be Inuit)" only about 25% of the workforce at Nanasivik is Inuit" (Dahl, J., 1984 p 150). Dahl (1984) argues that the unsuccessful level of employment of Inuit at Nanisivik mine relates largely to the fact that the recruitment policy is controlled by the mining company, and they are "in a position to carry through a recruitment policy in the interest of the mining venture without taking local employment conditions into consideration" (p 151). Further, Dahl argues that,

> work in these mines requires a certain degree of training; social structure and work-schedules are adjusted only to the mining activities; and many candidates...have a hunting/fishing background, it is not to be expected that a large number of people from these regions will be employed without thorough preparation and some obligatory training. Whatever the reasons - I do not know all the facts-it seems clear to me that the original promises concerning training in Nanisivik have not been carried through (Ibid.).

Hobart (1982) surveyed Inuit workers at Nanasivik mine between 1975 and 1978. He reported that during the four years of his survey work "a very large proportion, 43 percent, were engaged as labourers of one class or another, and 16 percent were helpers of various kinds. The remainder were engaged in somewhat more demanding work: 5 percent were apprentices of various kinds, 23 percent were semi-skilled workers, 8 percent were heavy equipment operators, four men were skilled tradesmen, and 10 had other skilled employment" (Ibid., p 62). Regarding wage income earned from Nanisivik mine employment by Inuit workers, Hobart reported the following:

> The total wages paid to the Inuit workers was $712,580, almost 7 percent less than in 1977. The range of wages paid was from less than $100 to $32,500. The average per worker was $8,690, one -third higher than the preceding year. The communities with the largest wage incomes were again Arctic Bay ($191,500), Igloolik ($143,600) and Frobisher Bay

> ($108,600). The average incomes were generally higher in 1978 than in 1977. This is clearly true of Arctic Bay ($11,300) and Igloolik ($11,000), and to a lesser extent, of Frobisher Bay ($6,800).
>
> An indication of the relative significance of the earnings from mine employment, in Arctic Bay amounting to $191,500 in 1978, is this is almost three times the fur harvest earnings in that community during the 1978-79 season, and about nine times the total earning from carvings and handicrafts in that community during 1978 (p 68).

Cominco's Polaris lead-zinc mine, located on Little Cornwallis Island in the High Arctic, started production In 1982. In June 1987, 26 native people, including 17 Inuit and 9 Dene/Metis were employed at the mine (Polaris Operations, 1987). The Inuit employees are from 9 High Arctic communities and one individual is from Hay River, with no more than 3 Inuit employees coming from any one particular community. It is interesting to note that, of the 4 Inuit employees who are underground miners, 3 came from one particular community, Pelly Bay. The remaining 13 Inuit employees are janitors, labourers, mill operator, heavy equipment operator, millwright/apprentice, assayer and heavy duty mechanic. All 9 Dene/Metis are from Yellowknife, all but one are heavy equipment operators.

Storey (1988) reports that 9.3% of the employees at Polaris mine are native people (p 16). In his review of long distance labour commuting in the Canadian mining sector, Storey points out that, native recruitment and training agreements reached at various mines in northern Saskatchewan and Nanisivik mine in the N.W.T., which contain native employment qoutas, have largely failed to reach these qoutas. As a result, the "approach appears to have been one of encouraging companies to increase the number of native hires without resorting to regulatory measures" (Ibid., p 17). The agreement at Polaris mine concerning native hires appears to be along these same lines. The agreement "was designed to encourage native hiring and training but without specifying quotos" (Ibid.).

Echo Bay mines opened their Lupin gold property in 1982. Lupin mines is located north of Contwoyto Lake, 450 kilometers northeast of Yellowknife, or 225 kilometers south from the nearest community of Coppermine. Lupin mine is a typical long distance commuting mine (LDC).

> LDC is defined as all employment in which the work is so isolated from the workers' homes that food and accomodation are provided for them at the worksite, and schedules are established whereby employees spend a fixed number of days at the site, followed by a fixed number of days at home (Storey, K., and M. Shrimpton, 1988 p iv).

According to Storey and Shrimpton (1988), Asbestos Hill was the first LDC mine in Canada in 1972, and since that time 14 other mines have opened in Canada that use LDC (p iv). Polaris, Nanisivik and the new Colomac Resources gold mine (to open spring 1990) are the other mines in the NWT using LDC.

-Lupin mines has two rotation centres in the north, Yellowknife and Coppermine, an Inuit settlement 225 kilometers northwest of Lupin mine on the Arctic Coast. Of the 444 employees at the Lupin site, only 40, 12 from Yellowknife and 38 from other communities, live in the Northwest Territories (Ibid., p 20). Doug Willy, the Personnel Officier from Lupin mine, when asked by a seminar participant why the mine didn't have mine rotation centres in the north, replied with:

> We can't hire from Tuk or Aklavik. There's just no way we could afford to do it because it's expensive. So I think that if the mines are involved in those communities that are close to them, that's all that can be expected. There's not a lot of unemployed people in Yellowknife. I get more applications from Coppermine than I get from Yellowknife (Willy, D., 1987 p 91).

This statement may explain why Lupin mine does not have more rotation centres in the north and only 35 native employees on its payroll, or 7.9% of its workforce, but this does not explain, for instance, why both operating mines in Yellowknife, Nerco and Giant mines, with combined workforces of over 700 employees, have only about 4 native employees between the two of them (Evoy, J., 1989 personal communication).

There seems to be one major reason for the low native labour force participation at the two Yellowknife mines. Unlike the more recently opened mines of the LDC variety, Polaris, Nanisivik, Lupin and Neptune's Colomac mine, no agreements were signed or arrangments made to recruit and train native employees for the Yellowknife mines. Other than the early relocation plan of the federal government during the early 1960s to place unemployed Inuit miners from Rankin Inlet in Yellowknife mines, which we have seen was largely a failure, no agreements exist between government and the Yellowknife mining industry to either train or hire native people. As we will see is the case with the most recent mine to open in the N.W.T., Neptune's Colomac gold mine, it is only when native people are involved directly in developing and negotiating socio-economic benefit agreements with the mining industry that employment, training and business benefits flow to native northerners from the mining industry.

The most recent native experience working at mine in the N.W.T. is the Colomac gold mine near Indin lake, 140 miles north of Yellowknife. Neptune Resources (Colomac) and the Dogrib Tribal Council recently (June 1989) negotiated a social and economic benefits agreement covering mining operations. Praised as an "historic agreement", it "promises local hiring and job training policies for people in the North Slave Region" (Langford, C., 1989 p 15). The goal of the agreement with the Dobrib Tribal Council is to hired 25 per cent local, native employees.

During June of 1989, 45 of the 265 employees at the mine site were native people from the region, and the company president at that time said "the company is reaching its target of 25 per cent Dene employment" (Ibid.). The territorial government and Neptune have set up an employment training program called the Utility Workers Program to introduce native trainees to mill operations (Gougeion, R., 1990 p 14). "...The government pays part of the wages for the 17 trainees..." (Ibid.). The Dogrib Tribal Council's approach to the mine has been by and large supportive so long as they

> ...get jobs on the project from now until the gold is gone, benefit from business opportunities, see that damage to the environment is small, and that the lives of people in Snare Lake are not disrupted" (Selleck, L., 1989b p 11).

During March 1990 native people made up 23 per cent of the mine's work force and "...of 203 people then on the payroll 42, or 21 per cent, were Dobrib. Five others were native people..." (Gougeon, R. 1990 p 14). Criticism by local native people like "job applications for work at Colomac have been more like top-secret documents..." (Ibid.), seems to have pressured Neptune to send its employment officers to the communities. A Neptune official describing their approach to recruiting local residents put is this way: "We will look at Dene for every possibility and we will identify skills from these people and we will use them whenever we can..." (Ibid.).

This most recent experience of northern native people with the mining industry, namely Neptune Resources, is in many ways similar to the Chevron/Fort Good Hope project. Native people are now actively negoitiating social-economic agreements directly with multinational oil and mining corporations. These two agreements, Neptune and Chevron, "could very well shape agreements with industry once the land claim is settled" (Selleck, L., 1989b p 11). If this observation proves correct we may witness over the next decade an increase in the number of native people involved as wage labour in north's mines and oil fields.

In summary, the north's mining industry has had relatively little impact on native people in terms of overall wage employment during the post world war II period. The proportion of native workers in the north's mining industry has changed little over the past 20 years, although the actual number of native workers has. In 1969, of the 1,182 mine workers in the NWT, 63 were native, or 5.3% of the total mine work force (Chretien, J., 1969). Today, the north's mining industry employes approximately 175 native workers out of a total mine labour force of 2000, or 8.75% (Price Waterhouse & Associates Annual Reports on NWT Mining Industry, 1975-1987; and Storey, K., and M. Shrimpton, 1988; see Appendix A Table/Graph 40 p 198).

Comparing the extent of native employment in both the mining and oil and gas industries with state employment, it is clear that state employment has been much more significant. State employment for natives has been both more significant in terms of the shear number of jobs available and the fact that state employment has touched every native community in the north.

Co-operatives and Native Development Corporations

This section will explore the history of the co-operative movement in the N.W.T., including the key role played by the state in administering and financing co-operative development and the co-operative movement's record regarding the generation of employment and income for native northerners. Secondly, following the discussion on the co-operative movement, we will take a brief look at a relatively new form of business organization in the north, the native development corporation. The focus here will be on the potential for both native employment and possible conflicts with co-operative enterprises in the north.

The crucial role played by the state in co-operative business development in the north has been a defining feature of the co-operative movement over the past 30 years. "While some would say that governments should have no role in the development of co-operatives it is true to say that without federal government assistance and support, financial, physical and moral, northern co-operatives would not be the major economic force in the NWT that they are today" (Arctic Co-operatives Limited, 1989 p 11). This same report points out that over the first 25 years of co-operative development in the NWT and northern Quebec, government has contributed an average of $500,000 per year to their operations. "However, for every dollar of assistance provided by government, the co-operatives have produced over four dollars in terms of economic input into northern communities" (Ibid., p 11). In terms of co-operatives contribution to the northern economy, "...from 1979 to 1983 co-operatives contributed in excess of $50 million to the economy of northern communities. No other government assistance program in the North can boast of such a high return" (Ibid., p 11).

Co-operative business enterprises were first introduced to the north by the federal government (NWT Co-operative Movement, Annual Report, 1978 p 75). In 1958-59, the Northern Administration Branch of the Department of Northern Affairs and National Resources began its first 5 year Northern Co-operative Development Program "in response to the growing welfare dependency problems attendent on the move by Inuit into communities in the 1950s, and to the challenge of underdeveloped renewable resources" (Proceedings, Northern Co-operative Movement, 1980 p xiii). The Northern Administration Branch viewed the long term significance of the introduction of co-operatives from the perspective of the modernizing impact co-operatives would have on northern natives.

> It has provided the participants with an opportunity to play a positive role in the management of their own affairs. Through the development of their boards of directors, they have learned something of the delegation of responsibility and the need for effective management. The program has helped acquaint the members with the procedures of voting and electing representatives and has generally been useful in helping them to understand something of the democratic process. It has brought new institutions, new values and social attitudes (Northern Administration Branch, 1965 p 1).

Co-operative business development officially began in the NWT with the passage of the Co-operative Association Ordinance in January, 1959, by the NWT Council (Sprudzs, A., 1967 p 6). The first co-operative to be incorporated in the NWT was the Kikitoayak Eskimo Co-operative at Port Burwell in 1959. Originally this first co-operative dealt with fish products, handicrafts and sealskins, but this changed in 1960 as the co-op expanded into a retail food and supplies outlet.

By 1965, co-operative enterprises were located in 11 predominantly native communities (four others had opened and closed during this period) and "report sales in that year in excess of $574,000 on which net saving of $44,000 was realized" (NWT Co-operative Movement, Annual Report, 1978 p 75). In that same year, Canadian Arctic Producers (CAP) was incorporated to market Inuit art and crafts in southern Canada. "The incorporation of CAP was to have a significant impact on co-operatives in the NWT as the production and sale of arts and crafts were to become an increasingly significant sources of income to territorial co-operatives and their members" (Ibid.). By 1968, 27 co-operatives were incorporated in the NWT. They were "involved in 24 different commercial activities, ranging from retail stores and the production and sale of arts, crafts and handicrafts to activities such as sawmill operations and whaling" (Ibid., p 76).

With the establishment of the territorial government as a government resident in the NWT in the late 1960's, responsibility for co-operative development was turned over from the federal government to the GNWT Department of Industry and Development's new Industrial Development Division on April 1, 1969 (Babicki, C., 1987). Over the next two years (1969-1971), 9 new co-operatives were incorporated, 2 in Dene communites and the remaining 7 in Inuit communities (NWT Co-operative Movement, Annual Report, 1978 p 82).

Continued growth in new co-operatives during the early 1970s, led to the need for a federation to represent them. "This entity had been requested by the co-operatives of the Baffin and Keewatin regions as a way to aid them in the solution of a number of chronic problems (Information Item 47-53, NWT Council, 1974 p 1). During February of 1972 a meeting of northern co-operatives was convened in Churchill, Manitoba and resulted in the formation of Canadian Arctic Co-operative Federation Limited (CACFL) (NWT Co-operative Movement, Annual Report, 1978 p 76).

The main objectives of the new federation were: 1. marketing and purchasing services, education, staff training and co-ordination of services to members; 2. auditing and accounting services; 3. making representations to governments and other agencies on behalf of itself and its members. (Ibid., p 77). The issue over federation priorities became a major point of conflict with the state soon after its incorporation.

The federation hired staff and set up an office in Yellowknife in June 1972. One year later (June 1973) the federation put forward an application to the Eskimo Loan Fund for $1 million to cover their new purchasing function. During an NWT Council Session on June 28, 1974, this loan application was discussed along with other matters relating the federation's activities. Deputy Commissioner Parker explained to the Council the financial reasons behind the federation's $1 million loan application:

> Now, the federation at that point had gone into a purchasing function and the operation of an aircraft. They found it necessary to carry out their purchasing through an agency in Edmonton and in order to use the airplane which they had purchased, it was necessary for them to own the goods that the airplane carried. Therefore, they bought the goods, transported them north, not entirely, I do not think, in the airplane but certainly to some extent, and distributed them to the member Co-ops. The member Co-ops, unfortunately, those that were in the category of running retail operations, in most cases did not have sufficient working capital to pay for those goods when they received and it was necessary for them to wait until the goods were sold before they could make major repayment to the federation. As a result of this, the federation's financial condition rapidly grew worse (Votes and Proceedings, June 28, 1974 p 570).

Council's attention following Parker's initial comments centered around two documents tabled the previous day. One, a report by the comptroller of CACFL affairs, A.G. Gordon, claimed that "for reasons not clear to the government and notwithstanding advice to use caution in its expansion plans, the federation concentrated its main efforts on: (a) Provision of marketing outlet for native crafts, (b) Purchasing services, (c) Transportation services" (Information Item 47-53, NWT Council, 1974 p 2). Gordon claimed that the marketing and transportation programs were not part of the federation's founding priorities and that they "were commenced without proper provision for working capital and a serious problem was evident in a short time" (Ibid., p 2). The second document, a CACFL Annual Report, argued that the "operation of a purchasing division is shown as the only way which the federation could become economically self-sufficient and give it the ability to subsidize activities which do not generate revenue or activities which are not profitable" (NWT Cooperative Movement, Annual Report, 1973 p 27). Council ended their discussion with an announcement that the federal government had agreed the previous day to give the federation a $382,000 loan and a grant of $150,000. As well, a motion was passed that a report be made available to the Council's January Session that would outline the federation's progress in solving their financial problems.

During this same Council debate over the federation's loan application, an interesting debate took place between a Member of the Council and a federation executive who had been asked to appear as a witness before the Council over the question of the appropriateness of the co-operative enterprise as a vehicle for native economic development. Mr. Pearson, a Member from the Eastern Arctic stated that:

> ...I do not believe that the co-op is the answer in all cases to economic development in the communities in the Northwest Territories because the basic concept in some cases of co-operative development and co-operatives working together is foreign to the understanding and the nature of the people for whom these organizations are designed. ...I believe that if the money spent to support co-ops that I have knowledge about over the years...had been spent on the development of individual businessmen in the North, they would be very successful because many of the young men who are running the co-ops today, the native people, many of the people involved show tremendous initiative and business acumen. If they were given the opportunity to operate on their own as private individuals or private entrepereneurs they would have been very successful within their own communities (Votes and Proceedings, June 28, 1974 p 579).

Mr. Gontier, the federation executive, replied to Mr. Pearson's arguement with:

> Mr. Pearson seems to think that the co-operative is a foreign type of structure for the natives of the Northwest Territories. My comment on that is that the majority of our members are Eskimo and I would venture to say that their mode of life before we imposed the dollar economy on them, and they were co-operating in hunting and fishing, and in fact I believe they had to co-operate to survive in this environment. The co-operative movement is about the only way the native people can participate in the economic development of the Northwest Territories, because there are very, very few native individuals who have the capital and the business acumen to compete against southern-based companies operating in the Northwest Territories. By forming co-operatives and federating, they stand some chance of having some measure of control over their economic lives, over their economic destinies (Ibid., p 579).

While it does not seem that opinions like Mr. Pearsons' had much of an effect on co-operative development in the north, it does illustrate one northern politician's perception of traditional Inuit society. As was pointed out recently, "for thousands of years before the Rochdale pioneers developed the first co-operative the Inuit and Dene people...were practising the most basic form of economic and social co-operation: They had to; their very survival depended upon co-operation" (Arctic Co-operatives Limited, 1989 p 9).

By the mid 1970s the majority of the north's co-ops were in a net loss position and when it was realized that half of them would be unable to obtain their 1976 resupply because of their debt problems the federal government intervened with a $2 million dollar bank loan guarantee (NWT Cooperative Movement, Annual Report, 1978 p 78). About the same time, a study was commissioned by the Social and Cultural Division of the Department of Indian Affairs and Northern Development into the financial problems being experienced by the co-ops (Ibid., p 78). This study was to form the basis of a new financial program for northern co-ops (called the BMC program) that would make funding "available for a resupply program, refinancing of the critical cash flow position common in many co-operatives and...assistance for program development" (Ibid.).

The BMC program, initiated in 1977, began as a 5 year financial assistance program, funded by the federal government and administered by the GNWT Department of Economic Development and Tourism. This program provided interest free loans and "varing repayment periods of up to 17 years depending upon a recipient co-operative's ability to repay the loan" (CACFL Annual Report, 1986 p 14). The BMC program greatly improved the financial situation of northern co-ops and precipitated an expansion in the types of the programs offered by CACFL to affiliated members. As well:

> "...parallel with this development came the withdrawal of the Territorial government in the day-to-day operations and assistance to co-operatives in favour of the CACFL assuming this responsibility. As a result of this change in policy, the co-ops section's staff , which had increased to 4 positions over the period 1972-1976, was reduced to 2 positions. In addition, the Department's area Economic Development officers withdrew as a source of day-to-day assistance to the co-operatives in favour of this role being assumed by the CACFL's Retail Advisors. This was a radical departure from pre-1976 developmental policies in the NWT.
>
> By the end of 1978, co-operative activity in the NWT had again reached record levels. The co-operatives reported total revenues of $14.5 million while total Co-operative assets approached $6.7 million. In addtion, Co-operative membership had grown to over 3,644 members and the system provided more that 360 jobs. At the same time, the CACFL reported a record $6.3 million in sales and provided an additional 63 jobs throughout the NWT (CACFL Annual Report, 1978 p 79; see Appendix A Table/Graph 41-42 pp 199-200) .

The Canadian Arctic Co-operative Federation presented a submission to the NEDP for financing following the 1983 establishment of the Native Economic Development Program (NEDP) by the federal government. The result was the incorporation in 1986 -

replacing the BMC program - of the NWT Co-operative Business Development Fund (CBDF) to receive funds from the NEDP and "to be the financial arm of the NWT co-operative movement" (Arctic Co-operatives Limited, 1989 p 14). The CBDF "operates as a revolving fund and co-operatives using the Fund pay an additional one per cent in order to build up their equity. The Fund is totally owned and controlled by the Co-operative System" (Ibid., p 14).

Between 1959 and 1978, 59 co-operatives were incorporated in the NWT. At the end of this period (1978), 13 co-operatives had dissolved and/or liquidated, 2 were inactive and one was an amalgamation of the 2 co-operatives in Baker Lake during 1977 (NWT Co-operative Movement, Annual Report, 1978 p 81-82). By the end of December 1987 there were 32 active co-operatives in the NWT with a membership of 6,097 (Arctic Co-operatives Limited, 1989 p 23). They employed 241 people on a full time basis and 137 on a part-time basis and, "apart from government, co-operatives are the largest employer of native people" (Ibid., pp 23 & 24). In addition, "...1,526 people participated in direct income benefits from their co-operatives in terms of payments to hunters and trappers, carvers, craft producers, commercial fisherman, etc." (Ibid., p 24).

Zaslow (1988), suggests that the early successes of the co-operative movement

> ...increased Inuit confidence in their ability to handle their problems through collective action and gave morale a strong boost. Many persons, moreover, were trained in managing businesses, forming a cadre of educated, self-assured young persons to lead their people across the unknown terrains of modern life. The Co-operative movement helped many Inuit adapt to contemporary economic, philosophic, and political realites (Zaslow, M., 1988, p 278).

However, as the co-operative movement employment figures suggest, and as Zaslow (1988) observes, "...these efforts at diversification still did not reach most native hunters and trappers who could no longer maintain themselves from the old pursuits. To continue their life on the land they needed extra income from wage employment - or social assistance" (Ibid., p 278). We now turn to a brief discussion concerning native development corporations in the north and their potential to create employment for native people. As well, the potential for conflict between the cooperative movenment and development corporations will be briefly addressed.

A June 1986 discussion paper on N.W.T. development corporations, issued by the GNWT Department of Economic Development and Tourism, reported that there are 33 development corporations operating in the territories (ED&T, 1986 p 2). Twenty-seven of the 33 development corporations are located in the Western Arctic (Ibid., pp 9 & 10). The discussion paper points out that "there appears to be two types of development corporations operating in the NWT" (Ibid., p 4). The two types are those related to land claims ie., Dene Development Corporation (DDC), Metis Development Corporation (MDC), Inuvialuit Development Corporation (IDC), Nunasi Corporation, and those that are community and regionally based (Ibid., p 4).

Whittington (1986) made the following observation concerning community based development corporations: "...although not all northern native communities have community development corporations, many have, and the trend is such that it seems inevitable that such bodies will emerge in most locales in the future (p 4). Many of the community based development corporations, in the Western Arctic, are owned and operated by the local Band Councils (ED&T, 1986 p 2). Wolfe (1989) commented on the important role played by Native Band or Hamlet Councils as agents of economic development and job creation, with:

> Band or Hamlet Councils are expected to generate economic development projects which create jobs and are supported by training programs. The majority of local-level enterprises are council initiated or Band operated (Wolfe, J., 1989 p 66).

The ED&T discussion paper points to the "major role in developing the local economy and providing direct employment "that development corporations could potentially play and recommends government financial assistance in all areas of development corporation activities (ED&T, 1986 p 4). Total employment for the 33 development corporations operating in 1986 amounted to 140 full-time employees, with one development corporation, the Fitz-Smith Native Development Corporation, reporting an additional 100-

200 seasonal fire fighting and brush work jobs (Ibid., see Appendix A Table/Graph 43 p 201).

Whittington (1986) reviewed and assessed four land claim-based native development corporations, three in the N.W.T. (Nunasi, DDC, IDC) and one in northern Quebec (Makivik). He found that they all were moving cautiously and tended "to buy into established enterprises rather than start new ones" (Ibid., p 71). Further, concerning the corporations approach to social benefits such as jobs, as opposed to the financial viability of projects, Whittington observes "a continued dedication of at least a portion of available funds to safe, capital-intensive investments such as real estate, even though such investments may not immediately serve any goal other than profitability" (Ibid., p 71).

Whittington (1986) explains that native development corporations are "public" in the sense that they are acting on behalf of communities, regions or the entire land claims group ie., Inuit, Dene, Metis, Inuvialuit. However, they are also corporate structures, in the legal and economic sense of the word. How they differ from co-operatives, and the potential for conflict between the two forms of business enterprise (co-operatives and development corporations), will form the last part of this section. This analysis will be brief and is only intended to point to the need for further detailed research.

Simard (1980), a delegate to the 1980 Pan-Arctic Co-operative Conference in George River, Quebec, pointed out that both native development corporations and co-operatives "are attempts by native people to control their economy and hence their destiny" (p 31). However, Simard does recognize that development corporations and cooperative federations are large organizations "which means there is a danger that local people will loose control over them". (Ibid., p 31). Using the Makivik development corporation and the co-operative movement in northern Quebec as his case study, Simard (1980) listed the main differences between the two types of business enterprise.

> 1. While each co-operative in northern Quebec has one vote at the federation, Makivik voting is based on shares. This means that communities with larger populations have a greater say in the way things are now.

2. Co-operatives are controlled from the bottom up. Decision making occurs mostly at the level of the local co-op, and the federation has no legal power to impose its decisions on the local cooperative. The federation is dependent on the local co-operatives for most of its budget, unlike Makavik which has its own funding.

3. The co-operatives can grow only as fast as the northern economy does, while Makivik business does not have to wait for the people, it can grow much faster, and that is exactly what is happening - they're not waiting for the people to grow.

4. While cooperatives invest in people and communities - much of the money taken in by cooperative is spent in the community in salaries - the development corporations invest more money in machines and equipment (p 32).

Simard concluded his discussion with the advice that "if the people want rapid economic development and the pride that comes from possessing these non-Inuk symbols of power, then the development corporation is the best way to go. But if people are seriously interested in native culture, and retaining pride in a native way of life, then they should support the cooperatives" (Ibid., p 33).

Simard's observation seem equally relevant to the Northwest Territories. To date, only the Inuvialuit have settled their land claim and financed their development corporation with capital received from this settlement. Of the five Inuvialuit communities only two, Holman Island and Sachs Harbour, have active cooperatives (Arctic Co-operatives Limited, 1989 p 23). The writer has no statistics to compare the performance of these two co-ops since the settlement of the Inuvialuit land claim. As of December 1987, the Holman Island and Sachs Harbour Coops have 23 full-time employees and were involved in the retail, arts & crafts, print shop, hotel, tourism resturant, gas/oil delivery and the rental businesses. What conflict there might be between the two cooperatives and Holman Island and Sach Harbour's community corporations (the latter being a part of the Inuvialuit corporate hierarchy) can not be determined here.

Suffice to say though, that, as native groups in the north (Dene/Metis and Inuit) settle their respective land claims and infuse their corporate development arms with Land Claims capital, potential for conflict with community based co-operative business enterprises will need to be examined. The employment generating capacity of native development corporations may become a major component of the northern labour market. There could very well be increased tension if native development corporations adopt decidely southern investment strategies. This tension will be between "those with traditional and those with modernizing views on community futures" (Wolfe, J., 1989 p 69). As mentioned, there is clearly a need for research in the area of the role of co-operatives and native development corporations in northern development, both from an employment and development perspective and from a conflict perspective.

Chapter 5

Conclusions

Introduction

For this study, we were interested in looking at the way the northern state (federal and territorial) developed the Northwest Territories since 1945 and the role native people played in this development. The central thesis of this study was to argue that it is in the manner in which the state developed the north (their accumulation strategy) since 1945 that we find today the condition where the majority of the north's native population are relegated to the margins of economic and political life. To grasp this process, outside of its purely descriptive form, we began by reviewing Marxist theory on the status of the state and economic base within the capitalist system. The latter (economic) theory introduced concepts also to explain the existence of pre-capitalist modes of production. In the sections to follow we look back over our analysis of the previous chapters, reiterating the main findings in terms of several of the theoretical issues raised in our theory chapter. These include: the state's accumulation strategy, the impact of state intervention in the north, the social base of the northern state, and relative autonomy and the northern state. The discussion concludes with suggestions for further research.

The Northern State's Accumulation Strategy

Accumulation strategies adopted by national or regional capitalist states refer to the overall way a state attempts to develop the economy and to generally assist in the accumulation of capital on a national and international scale. These strategies involve a particular "growth model" and the attendant preconditions appropriate to its success. We must remind ourselves that any analysis of a capitalist state's accumulation strategy should not be done in isolation from the world market, in fact the world market should be treated as the starting point. What this means in practice, for instance, is that events such as The Mackenzie Valley Pipeline Inquiry can only be understood on reflection as merely temporary short-term set backs for international capital and not evidence to suggest that the northern state's accumulation strategy is not consistently, in the long-run, working in the overall interests of capital accumulation in the north and on a world scale.

In the case of the north during our period of study (1945-1990), the federal state adopted an export orientated growth strategy that was based on non-renewable resource extraction. As part of this strategy the state set out to transform the native population from largely subsistence producers to wage labour to meet the needs of the industrial resource extraction industry. This involved encouraging nomadic native families to gather in communities, and state provision of a southern styled social infrastructure (ie., housing, health care, welfare, and an educational system adequate to the needs of economic expansion). The attempt to incorporate native people into the expanding economic sections of industrial resource extraction has proved itself to be an inadequate employment strategy for all but a small percentage of the north's native labour force.

Resource capital in the north has not historically been interested in exploiting native people as wage labour. Their interests have clearly been the extraction of raw materials with the use of a southern based labour force. Brody (1978) observed "in the case of the Arctic it is obvious that a high rate of exploitation of labour is not among the attractions to big business. Indeed, the presence of indigenous people is widely regarded as an economic disadvantage. The northern frontier is valuable insofar as capital intensive developments can generate large profits" (p 38). However, as we observed, the hiring of native people "is, in fact, sometimes viewed as part of the price some companies must now pay for federal subvention" (Ibid.). This is increasingly the price resource industries must pay for local community support in the era of northern land claims. We observed two recent arrangements between native people and mining and oil and gas companies - Chevron/Fort Good Hope and Neptune Resources/Dogrib Tribal Council - which involved both business and employment guarantees for local people.

Chronic native unemployment and welfare dependence is forcing the northern state to revaluate its "growth model" and downgrade the central importance of non-renewable resource extraction as the engine of employment creation. "This approach has worked to encourage growth and development in urban areas, ...it has ignored the needs or our own underdeveloped and depressed communities, ...the fact is that for most small native communities, oil, gas and mining are not the answer" (Votes and Proceedings, Feb 17 1989 pp 305 and 313).

As discussed, this modification in the accumulation strategy is towards increasing the number of community based small capitalist businesses (ie., tourism, arts and crafts, construction), and the commercialization of the domestic economy (ie., fish plants and meat processing industries). This modification in strategy does not remove the fact that mining and petroleum production continue to represent the bulk of production value in the northern economy. For example, total territorial exports in 1988 were close to $1 billion, of which minerals and petroleum represented 93% of this total (GNWT Economic Development and Tourism, 1988 p 4). Further more, the territorial state's wish to gain provincial status in effect locks it into a future dependence on revenues from the resource industry. Dacks (1989) in his paper on the Northern Oil and Gas Accord - which when signed will transfer jurisdictional control over oil and gas development and revenues to the territorial state - pointed out the future strategic importance of resource revenues to the territorial state.

> "One of the main objections to granting provincial status to the NWT is that it lacks fiscal capacity of the existing provinces. ...Leaving aside judgements about the validity of this objection, significant revenues from northern oil and gas production, particularly if they are projected to last for a number of years, should bring the GNWT closer to its goal of enhanced constitutional status" (p 7).

Stabler (1987) has been been more blunt on this point and argued that only with major new petroleum mega-projects and gold mines can the territorial state ever hope to lessen their dependency on federal financing and evolve constitutionally to provincial status: "It is concluded that fiscal viability awaits the development of some of the frontier mega-projects proposed in recent years" (p 561). What this suggests is that while we can expect the state's accumulation strategy over the next decade to broaden by more actively promoting and encouraging small native-owned capitalist businesses, the resource extraction industry will continue in its central role as the primary engine of economic growth in the north.

The Impact of State Intervention in the North

The impact of state intervention on the lives of native people during our study period has been without question enormous. State intervention has been used extensively to transform the overall relations of production in the north from a subsistence to a capitalist dominated social formation. The establishment of state infrastructure at the community level in the form of education, health, legal-political institutions, and transfer-payment programs, have ostensibly served as the mechanisms whereby the state has penetrated and undermined the subsistence mode of production. What follows is a summary of the main forms of intervention as they have shaped and encouraged the expansion of capitalism in the north and undermined the subsistence mode of production.

The interdependence of the state and economy has a long history in western capitalist countries. While this history was beyond the scope of this study, we did examine a general framework for categorizing the different forms of state intervention in economic life. These forms of intervention were categorized as "facilitative", "supportive" and "directive" according to a reading of Jessop's intervention typologies (see p 8 of this study) and Head's work in this area (see bibliography).

With this general framework in mind we examined the major federal and territorial policies and strategies employed to develop the territorial economy since 1945. Beginning in the early 1950s, the federal government shifted its previous non-interventionalist role in the north and "questions of state intervention in economic structure, as well as social, educational and health services...dominated the northern policy agenda during this decade" (Clancy, P. 1987 p 191). Since this time the state (federal and later territorial) has expanded the scope and forms of its interventions by shaping and creating the economic infrastructure of the northern economy and in some cases initiating economic development.

In our discussion of this expanding role we observed that two primary forms of state intervention were employed to support and encourage the expansion of capitalism. These were observed to be "supportive" and "facilitative". Supportive interventions are those policies/institutions "which ensure that adequate supplies of productive/inputs are available for the economy as a whole and for the needs of specific industries and regions" (Head, B.W., 1982 p 48). Facilitative interventions are those policies/institutions "which create or maintain the minimal fundamental conditions for economic activity in the various forms of market capitalism" (Ibid.).

The most common form of supportive interventions in the north are those related to infrastructure activities (ie., roads, airports, ports, power generation, etc.) What is less common, but projected by the state to be increasingly more important, are supportive interventions where the state takes on the role of entrepreneur. This form of intervention includes joint venturing with private business interests and the direct ownership of productive enterprises. As we discussed, this latter form of intervention will be carried out through a state development corporation.

Following Head's (1982) insights, and statements made by the GNWT, we concluded that the territorial state's plan to increase its role as an independent economic agent in the northern economy was essentially motivated by the relative weakness of community-based capital. Put another way, while the territorial state is planning to act as an entrepreneur through the auspices of a state development corporation, this form of intervention is to compliment the activities of private capital and in no way is this intervention related to replacing or competing with private capital. "Where the private sector is unwilling or unable to invest in economic activities, direct government investment may be necessary to create or maintain employment opportunities" (Building on Strengths: A Community-Based Approach, GNWT 1990 p 42). These public enterprises are to be operated as any private enterprise would: "Management of publicly-owned ventures must be consistent with standard management practices, and emphasize return on investment and economic efficiency" (Ibid.).

The Social Base of the Northern State

We begin this section by recounting our theory of the social base of the state. The insight this theory provides to determining the social forces behind the northern state's accumulation strategy is then examined in light of earlier discussions found primarily in Chapter Two: The Northern State and Development and the section in Chapter Three: Native Resistance and Land Claims.

The social base of the state refers to "the specific configuration of social forces, howsoever identified as subjects, and organized as political actors, that support the basic structure of the state system, it mode of operation, and its objectives" (Jessop, B., 1983 p 115). It is the specific configuration of the social base that "manages to impose its preferred accumulation strategy on the state" (Clancy, P., 1985 p 286). Taking this one step further and approaching policy analysis from this perspective, Mahon (1977) suggests that state "policies no longer appear as merely fragmented responses to the power of this or that group of corporations. Rather, it becomes possible to show precisely how the interests of the power bloc as a whole, and of the hegemonic fraction in particular, emerge within the state administration..." (p 171). The key ideological point here is that in an advanced capitalist country where large corporate interests control a good part of the productive assets, state employees and agencies that take "measures to assist the economy...are acting to assist the corporations that dominate that economy" (Ibid.).

We found in our examination of northern development policy during the post-World War II period the central importance of non-renewable resource extraction . "It was here that the considerable capacities of the state in the north would be concentrated" (Clancy, P., 1985 p 494). The northern state through the Department of Resources and Development and later in 1953, the Department of Northern Affairs and National Resources, cut its interventionalist teeth devising programs in support of non-renewable resource development. As we discussed, this involved early supportive actions like the northern roads assistance program of the early sixties and the building of the Great Slave Railway to service Cominco's Pine Point mine. In the area of training native people for employment, we observed that few programs were designed to stimulate forms of employment unrelated to the non-renewable resource sector. The preoccupation of the state with support for this sector has continued unabated, culminating in the Petroleum Incentives Program (PIP) of 1982. Capital assistance to the oil and gas industry in the north during the PIP period, 1982 to 1986, amounted to 94% of total capital assistance payments to industry in the north (See Appendix A Table/Graph 22 p 179). While PIP was a national program and not specific to the north, the fact remains that resource capital operating in the north (oil & gas) dominated federal and territorial northern development policy and eclipsed other fractions of capital.

The consensus of state policy favoring the central role of industrial resource extraction as the engines of northern economic growth, strongly indicates that the fractions of capital represented by mining and oil and gas interests have dominated the social base of the state almost unquestioned at least until the 1970s. It was at this time that native people began to resist this domination by pressuring the state, largely through the court system, to recognize the importance of the subsistence economy and the threats unbridled domination by the oil and gas and mining industries poised to its (subsistence economy) reproductive survival.

We do not suggest that the native resistance movement represented a fraction of capital that was attempting to graft its preferred accumulation strategy onto the northern state and thereby recast the social base in its favour. What this movement represented was a turning point that in important ways changed the political process in the north. Some of these changes are listed below, albeit not all are necessarily related directly to events following native resistance in the 1970s.

A cadre of educated native leaders has moved into the territorial Legislative Assembly and Cabinet positions. Native employees now account for 32% of the territorial public service. The native labour force has grown from 2682 in 1961 to 10,900 in 1989, and the native labour force participation rate during this same period has increased from 39.7% to 56% (see Appendix A Table/Graph 17-18 p 174-175). The number of Native run private businesses and co-operatives are growing. Both the federal and territorial government are on record stating that non-renewable resource development can no longer be counted on to generate the income and employment opportunities required by northerners. The territorial state has recently produced a new economic strategy that appears on the surface to be giving unprecedented attention to the support of small native owned businesses at the community level. Land claim settlements for both the Dene/Metis of the Western Arctic and the Inuit of the Eastern Arctic are nearing completion. They will give native people more control over resource development on their lands. These settlements will place large sums of capital and land in the hands of native people and in many ways drive political and economic development in the NWT for the next decade.

Do these trends and events suggest that the social base of the northern state is changing? Put another way, are there other fractions of capital in the north that are now or may in the near future impose their preferred accumulation strategy on the state? A number of points can be made here. The resource extraction industry over the next decade will continue to provide the bulk of productive investment and export earnings in the north. On the other hand, small business interests have grown considerably over the past decade and the state is encouraging this growth "with policies and programs...designed to address the full spectrum of needs throughout the life of a small business" (Small Business: Big Potential, GNWT, 1990 p 12). Small business now provides 52% of the jobs in the NWT and 41% of the total income earned by territorial residents (Ibid., p 3).

We should note a few points here in relation to fractions of native capital. Small business is not a homogeneous fraction of capital. It is divided along geographic lines and by the specific commodities and services it markets. Neither can the north's aboriginal people involved in small business be considered to be an homogeneous group of similarly interested people. There are native small business interests allied with mining and oil and gas capital. The Dene people of Fort Good Hope have signed a joint venture agreement with a major multinational oil company. Native small business interests and the Rae-Edzo Development Corporation are in line to be first called to supply goods and services to the Neptune gold mine in their area. Other such agreements between national and international resource capital and native communities and businesses will likely take place over the next decade.

There are native owned and operated co-operatives across the territories (See Appendix A Table/Graph 41-42 pp 299-200). There are land claim based native development corporations tied to community and regional interests (see Appendix A Table/Graph 43 p 201). These various fractions of small business capital will battle it out over the next decade attempting to extract preferential treatment from the state and in some limited sense impose their preferred accumulation strategy on the northern state.

What we have in a very preliminary fashion attempted to do in this section is sketch out the general contours of the northern social base over our study period. We suggested that important political and economic changes have taken place in the north over the past

15 to 20 years. Part of this change has involved the growth of small business in general and native business interests in particular. These changes have reconfigured the northern social base by downgrading the central role played by resource capital in determining the state's accumulation strategy.

Relative Autonomy and the Northern State

The principal issue flowing from our theoretical discussion on state autonomy relates to the often contradictory actions the state adopts while carrying out its overall function of maintaining an environment in which capital as a whole can accumulate. We have established in this study that the northern state has focused its central economic policies and programs on the interests of large mining and oil and gas interests.

The advent of state support for the traditional sector in the early 1970s, with the creation of the Out Post Program and other wildlife support programs seems to fit the contradictory role of the northern state and its relative autonomous status. As well, the growth of GNWT Department of Social Service's social assistance expenditures, which increased from $2.3 million in 1973 to close to $20 million in 1988, fits this contradictory role. Many other examples can be found related to social expenditures at the communty level.

Social expenditures are earmarked largely for mass consumption purposes (ie., welfare), and in other instances for propping up sectors of the economy that if left to the vagaries of the capitalist market place would surely fail (wildlife harvest support programs). The argument put forward here is that while these interventions do not on the surface appear to be in the interests of capital, they are from the state's perspective in the interests of the health of the system as a whole. This is not to argue that welfare payments per say are really in the interests of capital as a whole or some particular fraction of capital. What it is to say is that the state, "as a historical construction, has been ceded a certain degree of authority in order to assure the reproduction of the capitalist relations of production" (Ross, P., 1986 p 252). Put another way, it does not require one to stretch their imagination far to see that the $20 million in social assistance payments distributed largely to native people in 1988, was spent at the local Hudson Bay Company or Co-op store on such things food and clothing, thereby assuring at least a minimum level of commodity exchange at the community level.

The last point to discuss in relation to state autonomy is that concerning the limits of state reform. We will take the employment crisis in the north and the territorial state's most recent economic strategy to combat the crisis as a case in point. As we have observed, government statements recognizing the mounting problem of unemployment facing native communities are abundant. Statements to this effect were found in government records as far back as the late 1950s. Large sums of state funds have been expended on education and job training courses for native people. Yet, in 1989, more native people wanted wage jobs than were actually working - 7668 were employed and 7782 wanted jobs (1989 NWT Labour Force Survey, Bureau of Statistics, GNWT p 12). What does this evidence suggest in terms of the limits to state reform?

This suggests that the northern state, while relatively autonomous in some limited spheres of action, has definite overall limits in terms of its ability to solve the employment crisis in the north. These limits to reform are clear from a reading of the GNWT's Building on Strengths... documents. The documents convey a government with limited resources (ie., ED&Ts development corporation budget is only $2 million for 1990-91) to address the problem, but more importantly, a philosophical approach to the sanctity of the capitalist market place that precludes non-market forms of employment. We are not arguing here that there are 'correct policies' the northern state could follow to produce the desired result of full employment. What we are suggesting is that the concept of relative autonomy breaks down at a certain point if the analysis does not move to the level of world economy. From this point of reference we see that capitalist nation states of the world and their regional counter parts (ie., GNWT) are limited in the degree of autonomy required to produce 'correct policies'. It is not their individual segments that are limiting their abilities to produce the 'correct policies', rather it is the world economy that limits reform (for more on this point see C. Harman Explaining the Crisis, 1984).

Issues and Ideas for Future Research

There is no shortage of academic and government sponsored social science studies on the north. There is however a shortage of research that approaches northern issues and problems informed by the Marxist political-economy perspective. It goes without saying that researchers schooled in Marxist theory of the state and economy must turn their analysis to the Northwest Territories. Only in this way will a coherent marxist account of the northern social formation be worked out. The research issues and ideas that follow are a natural extension of the research done in this study and assume the researcher would adopt a Marxian political-economic perspective in their work.

1. The Territorial State since 1969

There needs to be a rigorous analysis of the policies and programs administered by the territorial government since 1969. Policies and programs must be analyzed by identifying the social forces directly and indirectly shaping their development, implementation and substantive results.

2. Capital and Native Capital in the North

A detailed analysis of the north's business community needs to be undertaken. More specifically, work needs to be done in the area of native development corporations and their influence on government policy. Also important here is an analysis of the phenomena of joint venturing between native owned businesses and non-native business interests.

3. A Northern Model of Class Structure

A made in the north model of class structure needs to be developed. This model must naturally draw from marxian class analysis but should be able to account for a large segment of the native population that acts as worker, hunter and welfare recipients all in the same week.

4. A History of Native Labour

No detailed history of native labour in the north exists. I have only provided in this study a very general outline of this history. The most promising research would be at the community level. Here we could learn such things as how early involvement by certain households in the wage labour market has led to class divisions in the communties.

5. The Role of Welfare at the Community & Household Level

Between 1980 and the end of 1990 about $150 million will be spent on social assistance in the north. Most of this welfare will be transfered to native people across the north. How is this money spent at the household level? What proportion of these transfers end up being used to reproduce the subsistence economy?

6. Cooptation and Northern Natives

The issue of native cooptation requires further research. Useful work has been done in this area by M. G. Lacy's 1982 study, "A Model of Cooptation Applied to the Poltical Relations of the United States and American Indians," in The Social Science Journal, 19 (3). Lacy's definition of cooptation is that it occurs if, "in a system of power, the power holder intentionally extends some form of political participation to actors who pose a threat." Bonacich's work reviewed in this study is a very enlightening piece of research as it applies to the particular cooptive mechanism of affirmative action.

Appendix A

Table 1

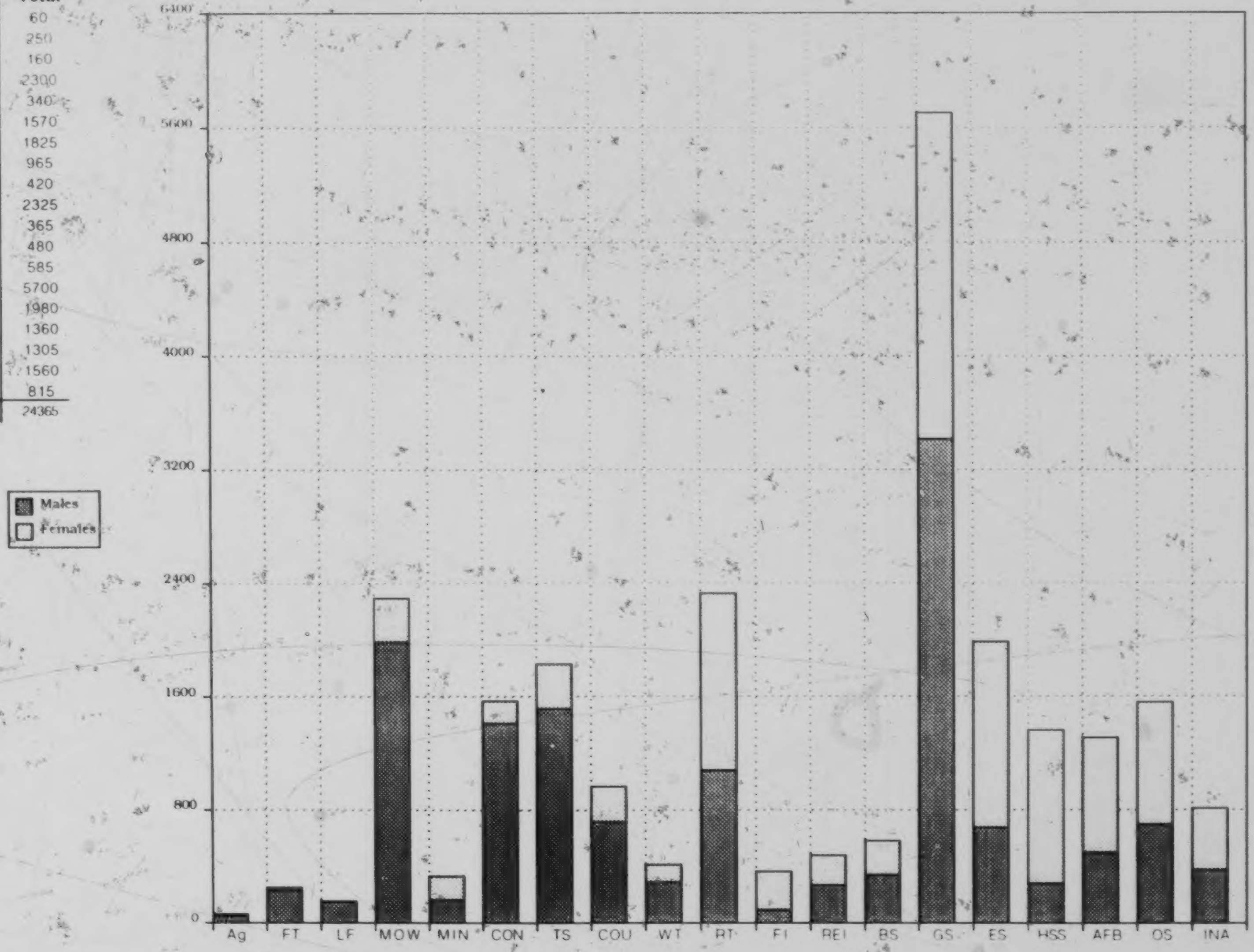
Labour Force by Industrial Division, Northwest Territories, 1986: Codes

INDUSTRIAL DIVISION	CODE	Males	Females	Total
Agriculture	Ag	50	10	60
Fishing & Trapping	FT	230	15	250
Logging & Forestry	LF	145	15	160
Mining, Quarrying & Oil Wells	MOW	1980	320	2300
Manufacturing	MIN	170	165	340
Construction	CON	1410	160	1570
Transportation & Storage	TS	1520	305	1825
Communication & Other Utilities	COU	715	250	965
Wholesale Trade	WT	290	130	420
Retail Trade	RT	1080	1245	2325
Finance & Insurance	FI	90	275	365
Real Estate & Insurance	REI	265	215	480
Business Services	BS	345	240	585
Government Services	GS	3420	2280	5700
Educational Services	ES	680	1305	1980
Health & Social Services	HSS	280	1080	1360
Accomodation, Food & Beverage	AFB	495	815	1305
Other Services	OS	695	860	1560
Industry Not Applicable	INA	375	435	815
		14235	10120	24365

Note: data source used for tables and charts on labour force by Industrial division is the 1986 Census, Statistics Canada.

Labour Force by Industrial Division, Northwest Territories, 1986

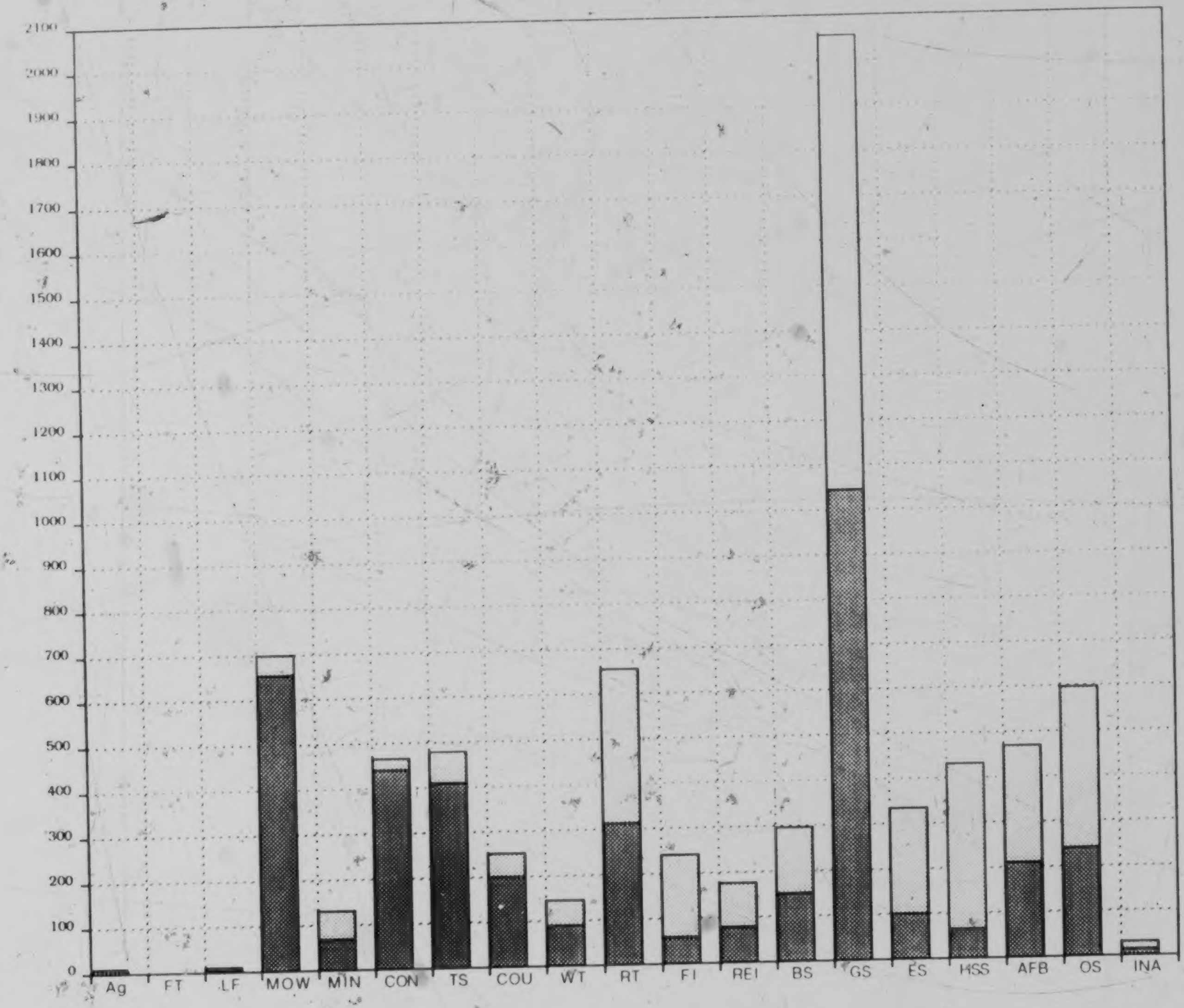
CODE	Males	Females	Total
Ag	50	10	60
FT	230	15	250
LF	145	15	160
MOW	1980	320	2300
MIN	170	165	340
CON	1410	160	1570
TS	1520	305	1825
COU	715	250	965
WT	290	130	420
RT	1080	1245	2325
FI	90	275	365
REI	265	215	480
BS	345	240	585
GS	3420	2280	5700
ES	680	1305	1980
HSS	280	1080	1360
AFB	495	815	1305
OS	695	860	1560
INA	375	435	815
	14235	10120	24365



Labour Force by Industrial Division, Headquarters (Yellowknife) , 1986

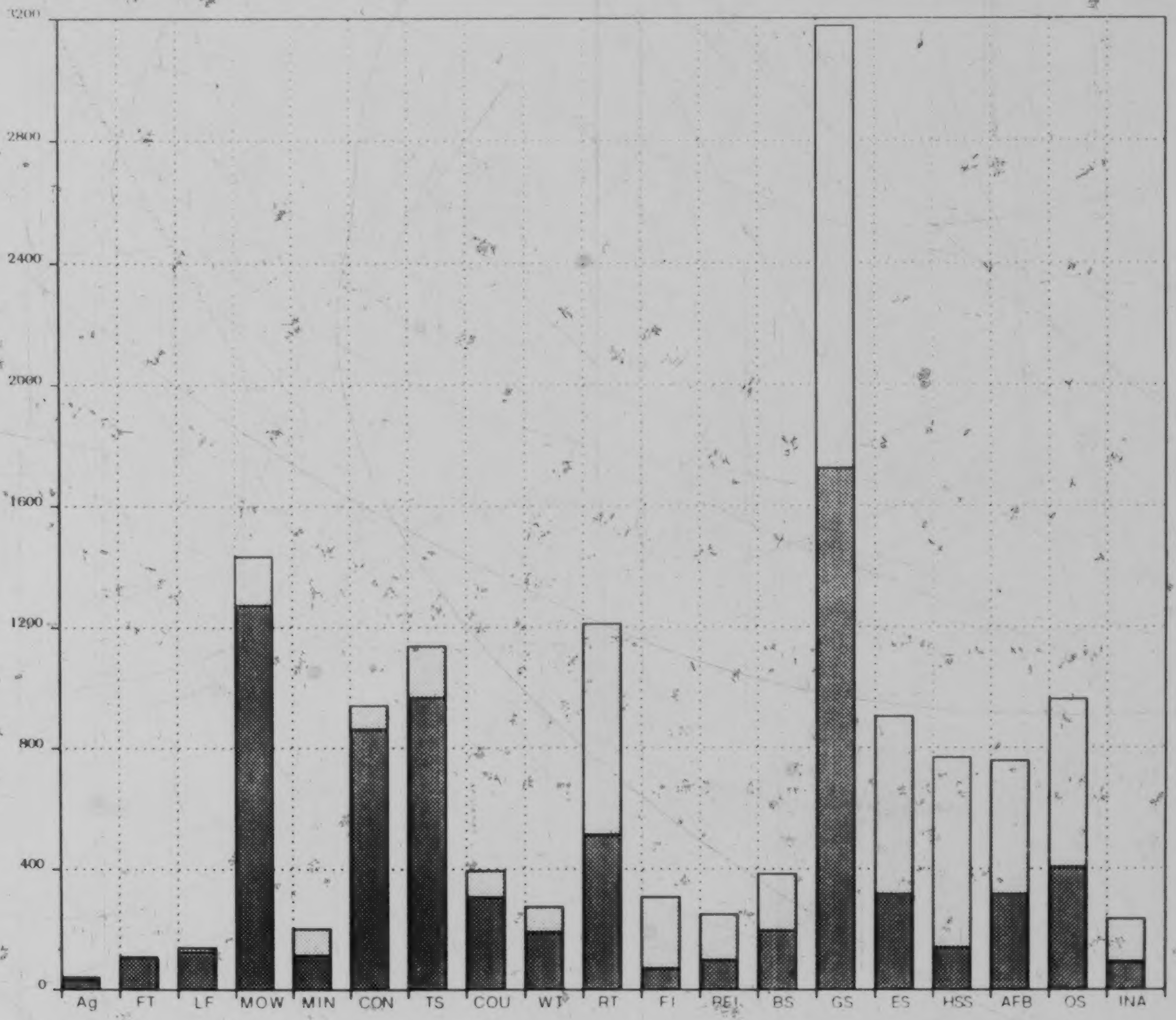
CODE	Males	Females	Total
Ag	10	0	15
FT	0	0	5
LF	5	5	10
MOW	655	45	695
MIN	70	60	125
CON	440	25	470
TS	410	70	480
COU	200	50	245
WT	90	55	145
RT	315	340	655
FI	60	180	235
REI	80	95	170
BS	150	145	295
GS	1045	1010	2055
ES	100	235	335
HSS	65	365	435
AFB	210	260	470
OS	240	355	595
INA	15	15	35
	4160	3310	7470

▨ Males
☐ Females



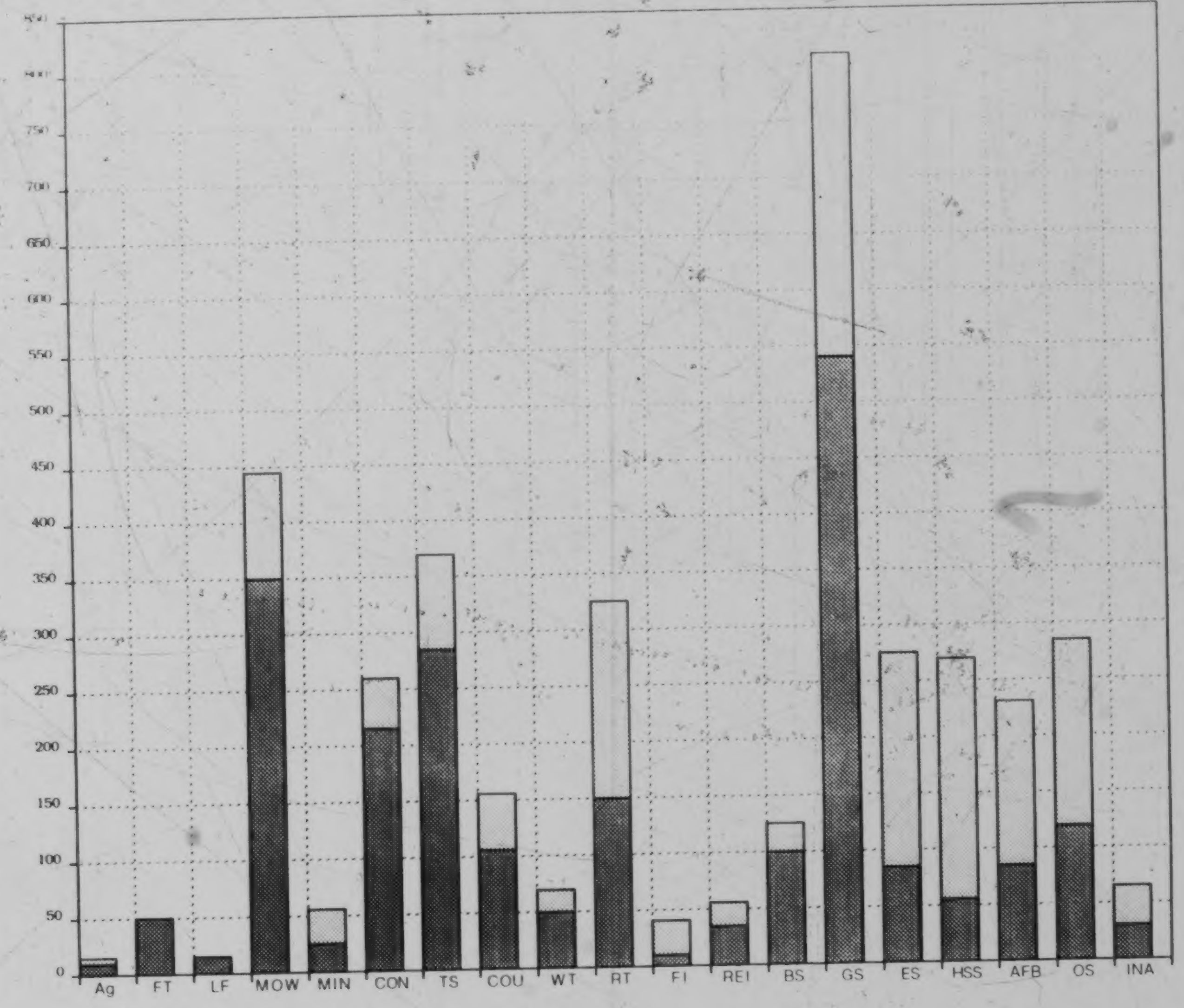
Labour Force by Industrial Division, Fort Smith Region, 1986

CODE	Males	Females	Total
Ag	30	10	45
FT	110	0	110
LF	125	15	140
MOW	1275	160	1435
MIN	115	85	195
CON	860	80	940
TS	965	175	1135
COU	305	90	395
WT	190	85	280
RT	515	695	1210
FI	75	230	305
REI	100	150	250
BS	195	190	390
GS	1725	1450	3180
ES	315	590	905
HSS	140	630	775
AFB	315	445	760
OS	405	555	960
INA	95	140	235
	7855	5775	13645



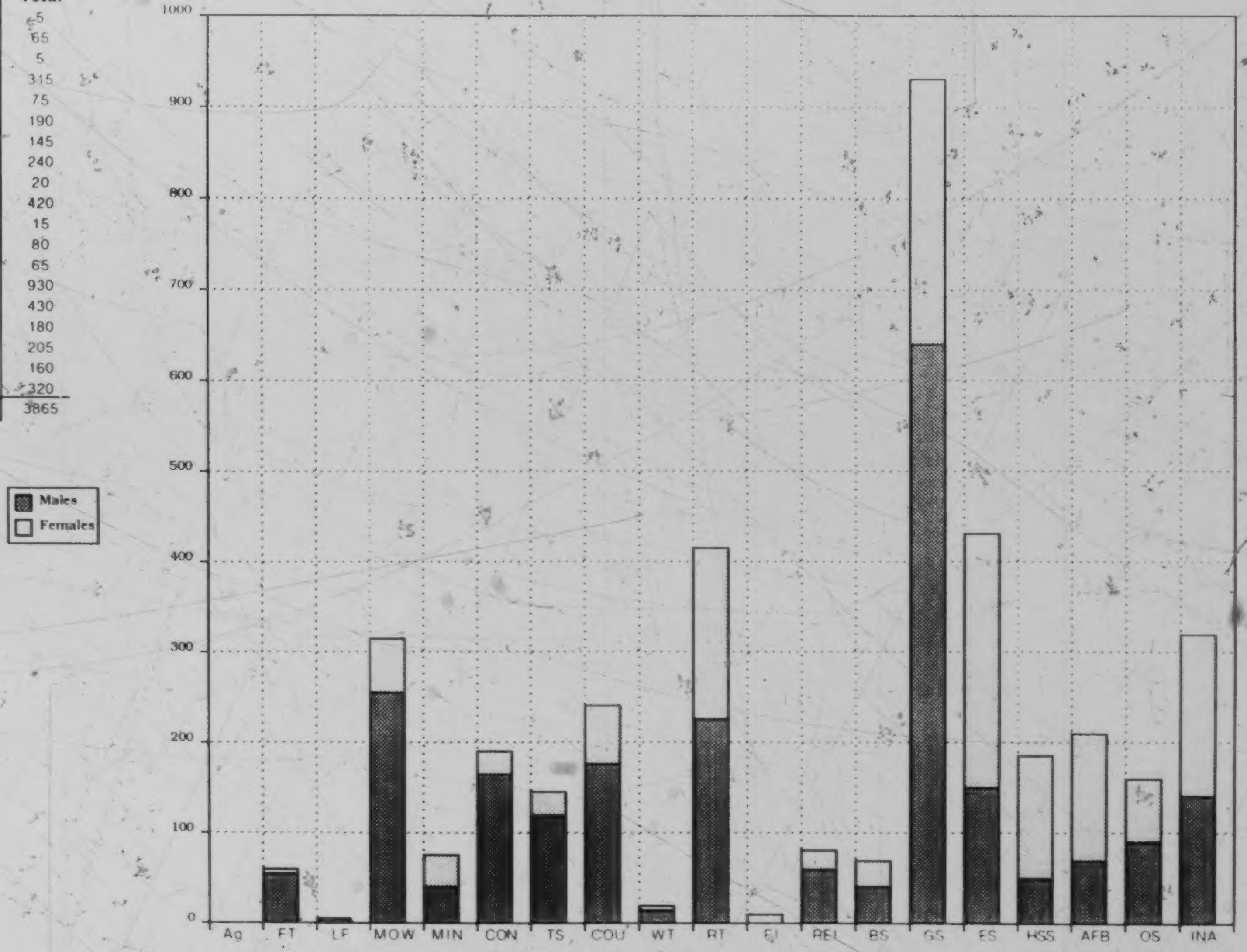
Labour Force by Industrial Division, Inuvik Region, 1986

CODE	Males	Females	Total
Ag	10	5	15
FT	50	5	55
LF	15	0	15
MOW	350	95	445
MIN	25	30	50
CON	215	45	260
TS	285	85	370
COU	105	50	160
WT	50	20	70
RT	150	175	325
FI	10	30	35
REI	35	20	65
BS	100	25	120
GS	540	270	810
ES	85	190	270
HSS	55	215	270
AFB	85	145	225
OS	120	165	285
INA	30	35	75
	2315	1600	3905



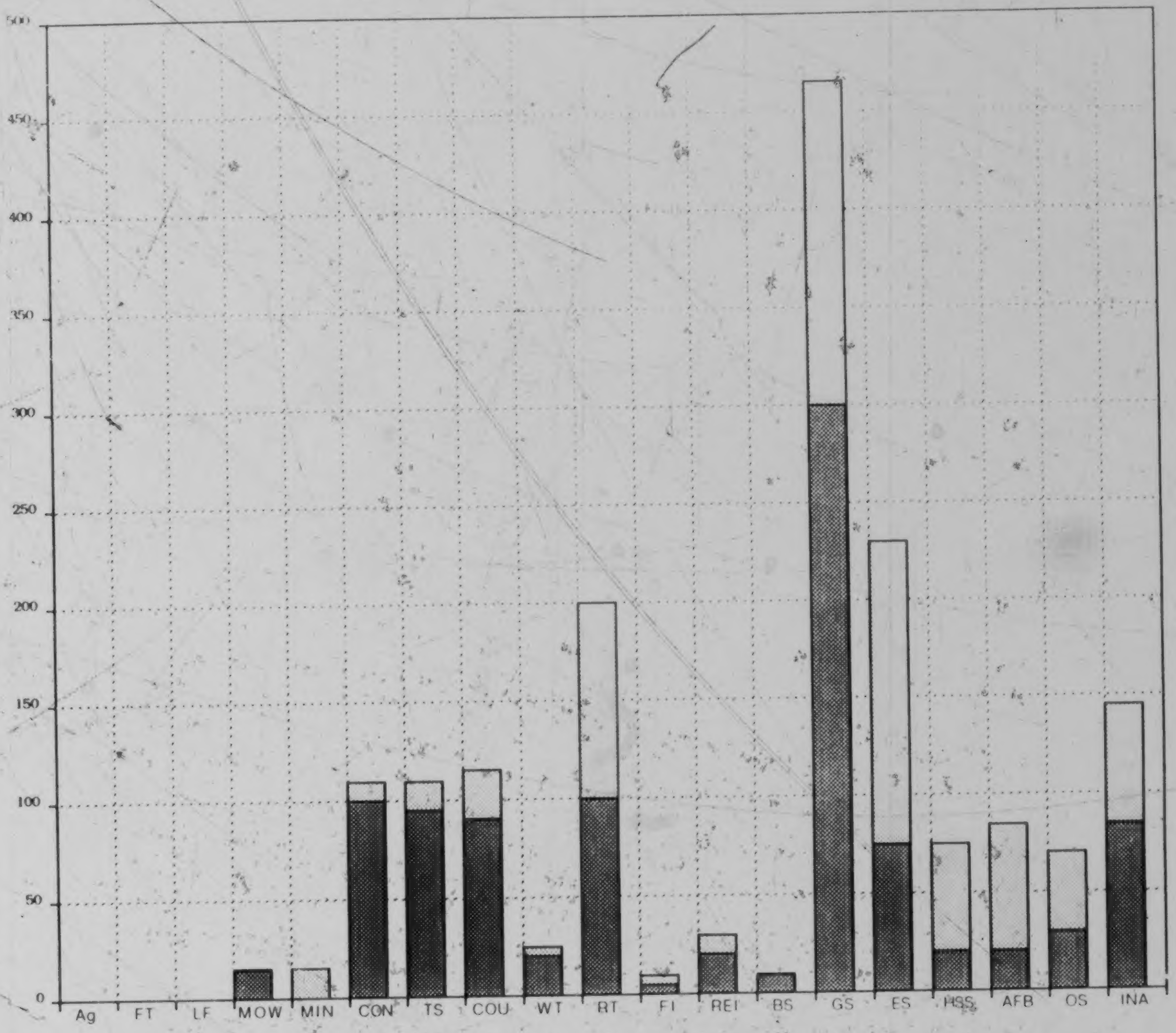
Labour Force by Industrial Division, Baffin, 1986

CODE	Males	Females	Total
Ag	0	0	5
FT	55	5	65
LF	5	0	5
MOW	255	60	315
MIN	40	35	75
CON	166	25	190
TS	120	25	145
COU	175	65	240
WT	15	5	20
RT	225	190	420
FI	0	10	15
REI	60	20	80
BS	40	30	65
GS	640	290	930
ES	150	280	430
HSS	50	135	180
AFB	70	140	205
OS	90	70	160
INA	140	180	320
	2295	1565	3865



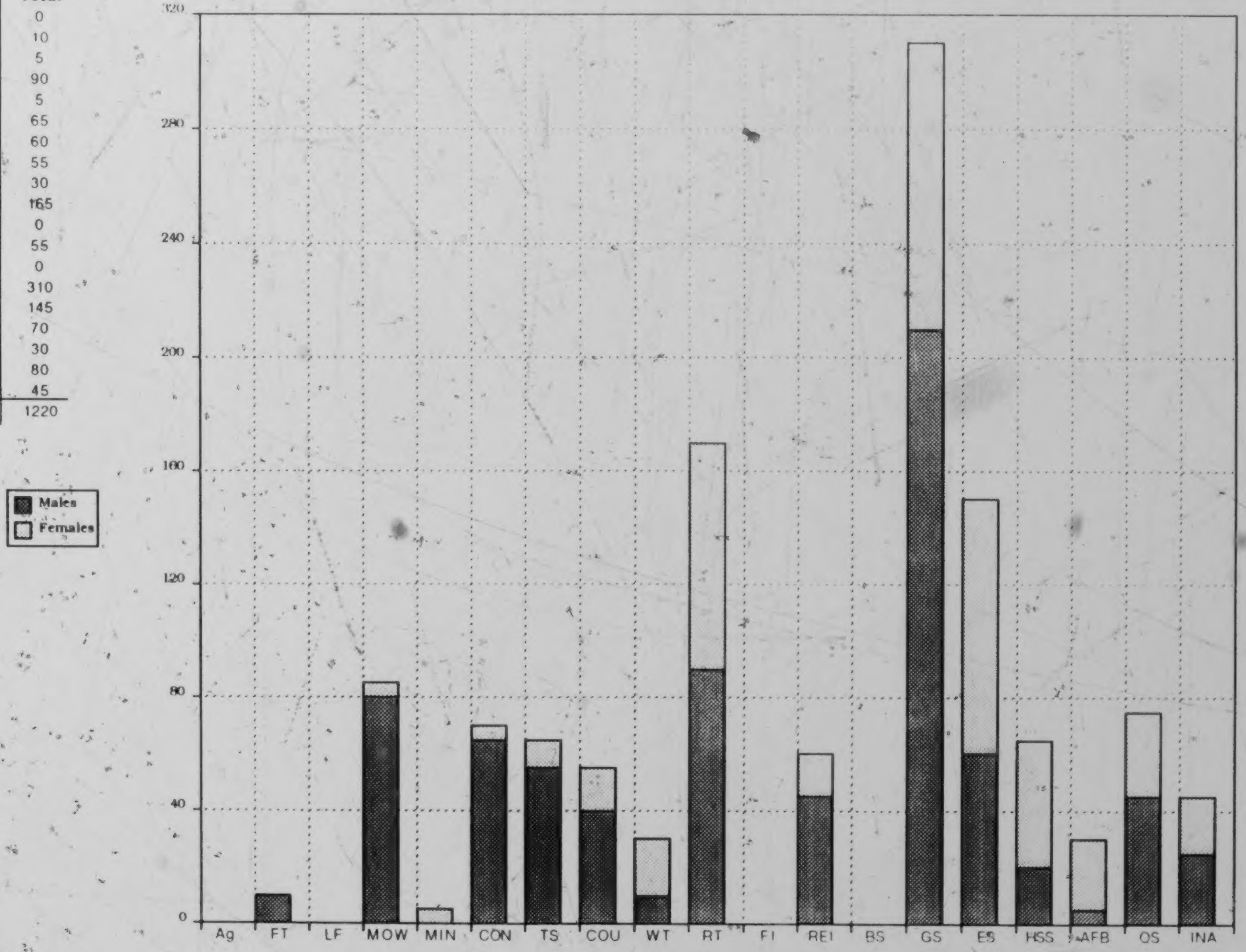
Labour Force by Industrial Division, Keewatin, 1986

CODE	Males	Females	Total
Ag	0	0	0
FT	0	0	5
LF	0	0	0
MOW	15	0	20
MIN	0	15	15
CON	100	10	110
TS	95	15	120
COU	90	25	115
WT	20	5	25
RT	100	100	205
FI	5	5	10
REI	20	10	35
BS	10	0	15
GS	300	165	465
ES	75	155	225
HSS	20	55	70
AFB	20	65	90
OS	30	40	75
INA	85	60	145
	985	725	1745



Labour Force by Industrial Division, Kitikmeot, 1986

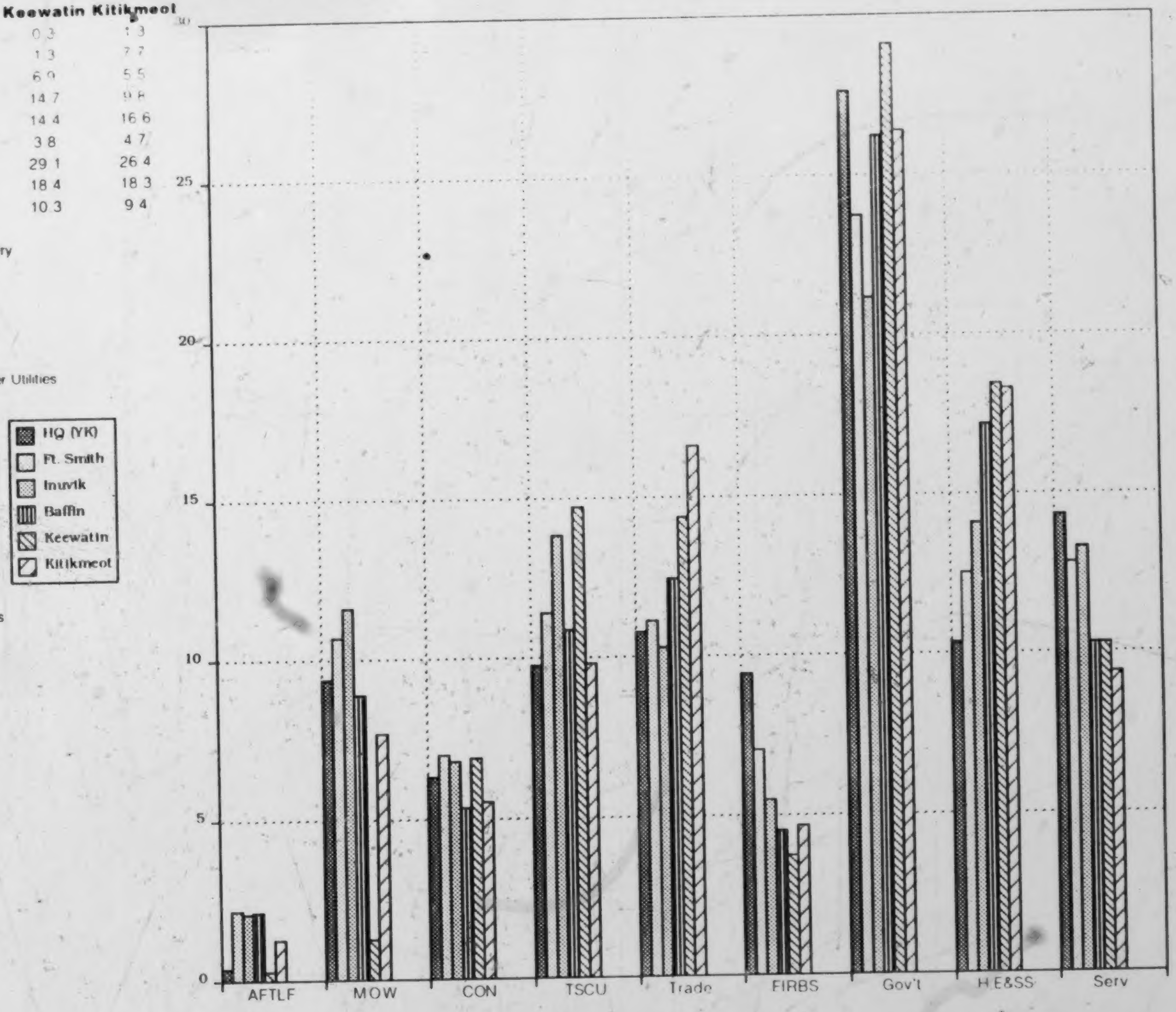
CODE	Males	Females	Total
Ag	0	0	0
FT	10	0	10
LF	0	0	5
MOW	80	5	90
MIN	0	5	5
CON	65	5	65
TS	55	10	60
COU	40	15	55
WT	10	20	30
RT	90	80	165
FI	0	0	0
REI	45	15	55
BS	0	0	0
GS	210	100	310
ES	60	90	145
HSS	20	45	70
AFB	5	25	30
OS	45	30	80
INA	25	20	45
	760	465	1220



Employment by Industrial Grouping as % of Total, 1986

	HQ (YK)	Ft. Smith	Inuvik	Baffin	Keewatin	Kitikmeot
AFTLF	0.4	2.2	2.1	2.1	0.3	1.3
MOW	9.3	10.7	11.6	8.9	1.3	7.7
CON	6.3	7.0	6.8	5.4	6.9	5.5
TSCU	9.8	11.4	13.8	10.9	14.7	9.8
Trade	10.8	11.1	10.3	12.4	14.4	16.6
FIRBS	9.4	7.0	5.5	4.5	3.8	4.7
Gov't.	27.6	23.7	21.1	26.2	29.1	26.4
H,E&SS	10.4	12.5	14.1	17.2	18.4	18.3
Serv	14.3	12.8	13.3	10.3	10.3	9.4

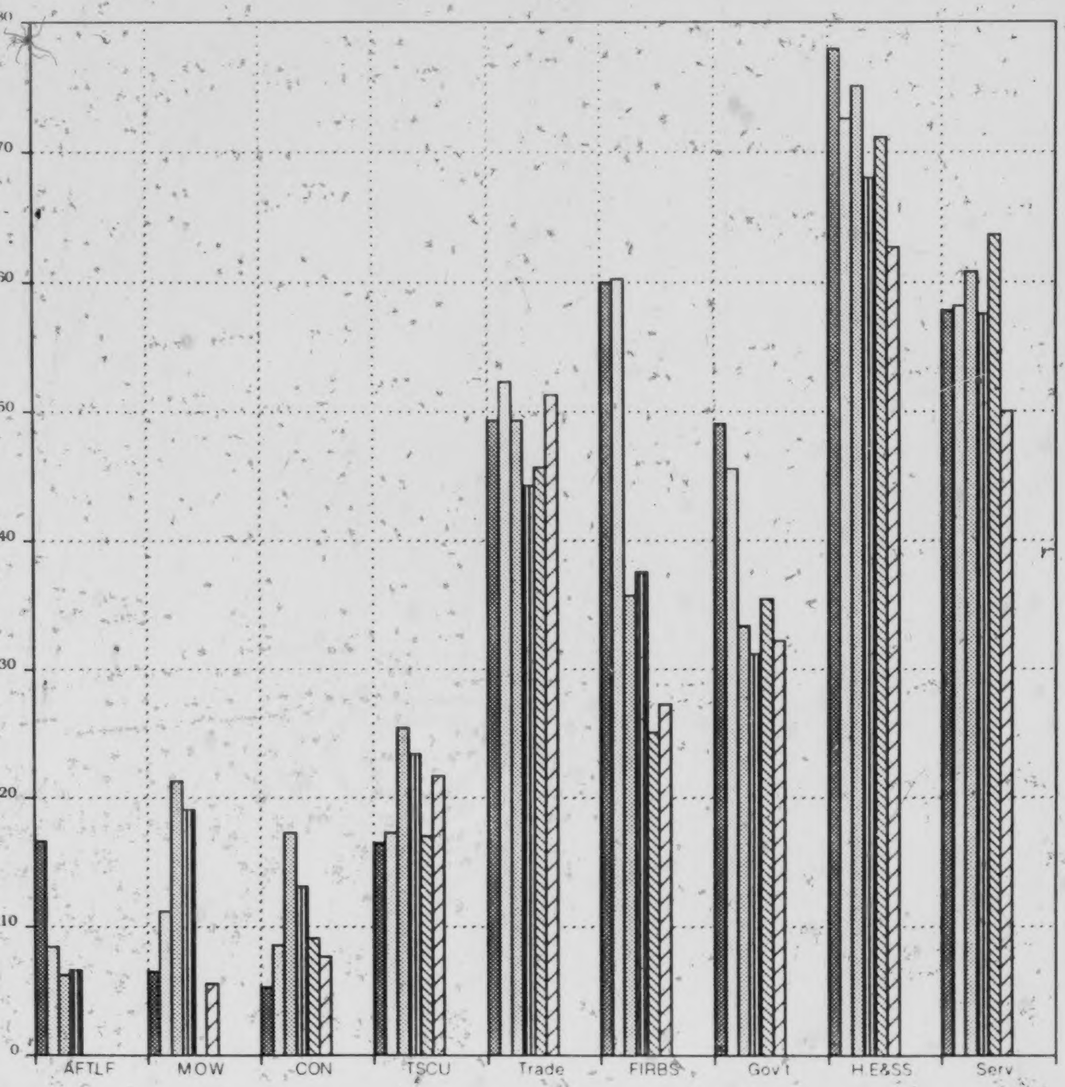
AFTLF	Agriculture, Fishing & Trapping; Logging & Forestry
MOW	Mining, Quarrying & Oil Wells
CON	Construction
TSCU	Transportation & Storage, Communication & Other Utilities
Trade	Wholesale Trade, Retail Trade
FIRBS	Finance & Insurance, Real Estate & Insurance, Business Services
Gov't	Government Services
H,E&SS	Educational Services, Health & Social Services
Services	Accomodation, Food & Beverage, Other Services



Women as % of Labour Force by Industrial Grouping, 1986

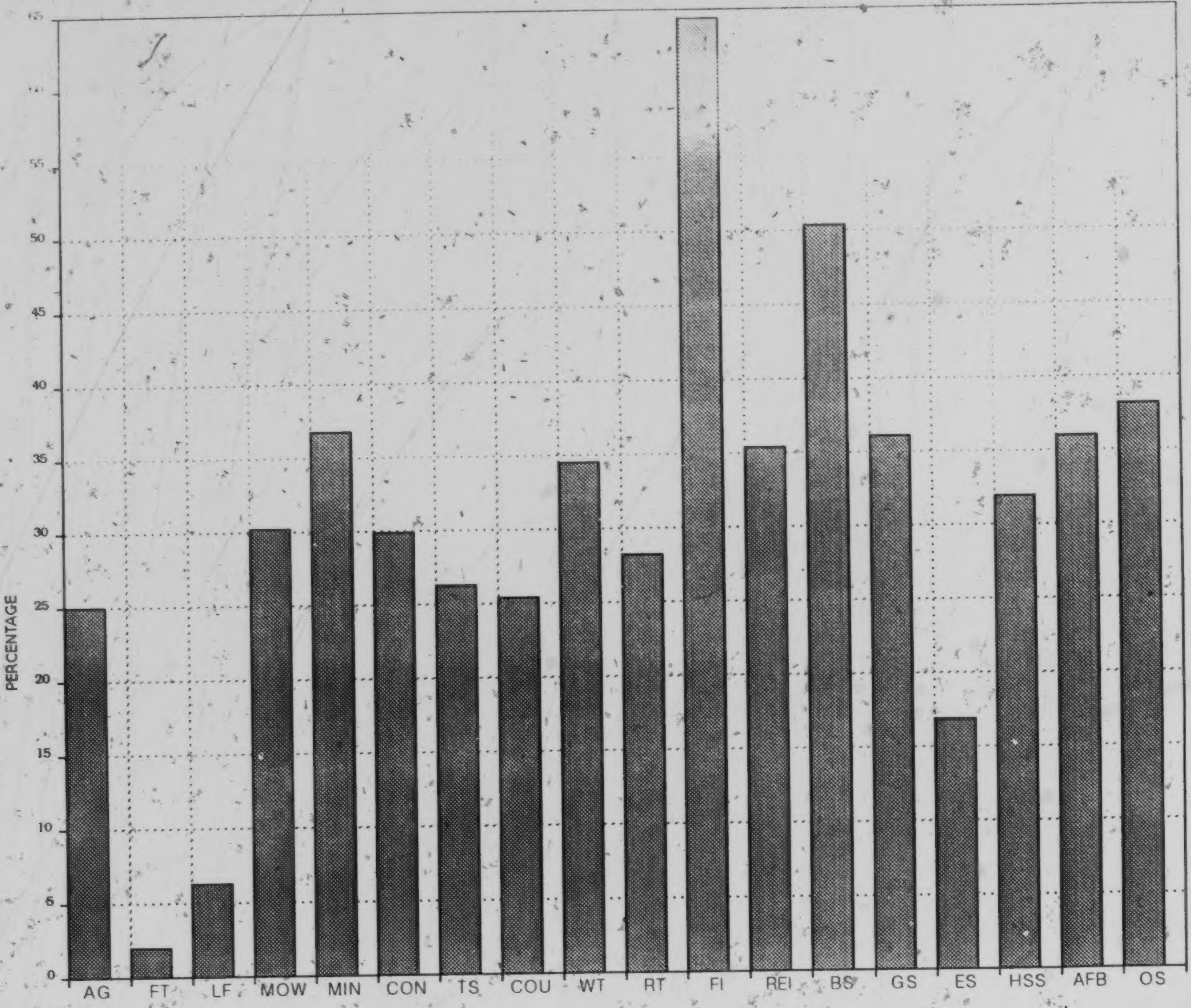
	HQ (YK)	Ft. Smith	Inuvik	Baffin	Keewatin	Kitikmeot
AFTLF	16.7	8.5	6.3	6.7	0.0	0.0
MOW	6.5	11.1	21.3	19.0	0.0	5.6
CON	5.3	8.5	17.3	13.2	9.1	7.7
TSCU	16.6	17.3	25.5	23.4	17.0	21.7
Trade	49.4	52.3	49.4	44.3	45.7	51.3
FIRBS	60.0	60.3	35.7	37.5	25.0	27.3
Gov't	49.1	45.6	33.3	31.2	35.5	32.3
H,E&SS	77.9	72.6	75.0	68.0	71.2	62.8
Serv	57.7	58.1	60.8	57.5	63.6	50.0

AFTLF	Agriculture, Fishing & Trapping, Logging & Forestry
MOW	Mining, Quarrying & Oil Wells
CON	Construction
TSCU	Transportation & Storage, Communication & Other Utilities
Trade	Wholesale Trade, Retail Trade
FIRBS	Finance & Insurance, Real Estate & Insurance, Business Services
Govt	Government Services
H,E&SS	Educational Services, Health & Social Services
Services	Accomodation, Food & Beverage, Other Services



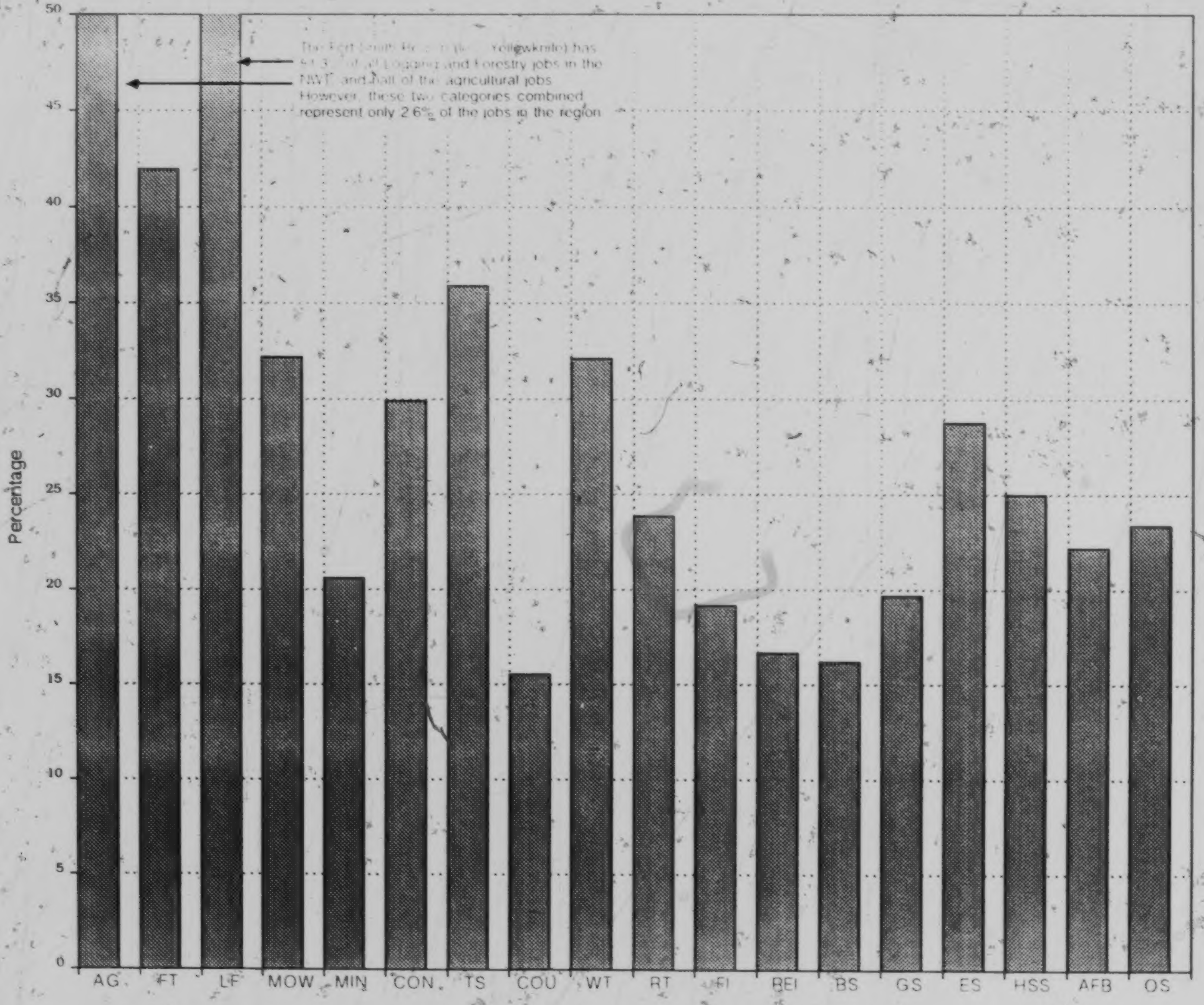
% of NWT Labour Force, by Industrial Division Headquarters (YK), 1956

CODE	JOBS	% of NWT TOTAL
AG	15	25
FT	5	2
LF	10	6.3
MOW	695	30.4
MIN	125	36.8
CON	470	29.9
TS	460	26.3
COU	245	25.4
WT	145	34.5
RT	655	28.2
FI	235	64.4
REI	170	35.4
BS	295	50.4
GS	2055	36.1
ES	335	16.9
HSS	435	32
AFB	470	36
OS	595	38.1
	7470	30.7



% of NWT Labour Force, by Industrial Division Fort Smith less YK, 1986

CODE	Jobs	% of NWT TOTAL
AG	30	50
FT	105	42
LF	150	81.3
MOW	740	32.2
MIN	70	20.6
CON	470	29.9
TS	655	35.9
COU	150	15.5
WT	135	32.1
RT	555	23.9
FI	70	19.2
REI	80	16.7
BS	95	16.2
GS	1125	19.7
ES	570	28.8
HSS	340	25
AFB	290	22.2
OS	365	23.4
	6175	25.3

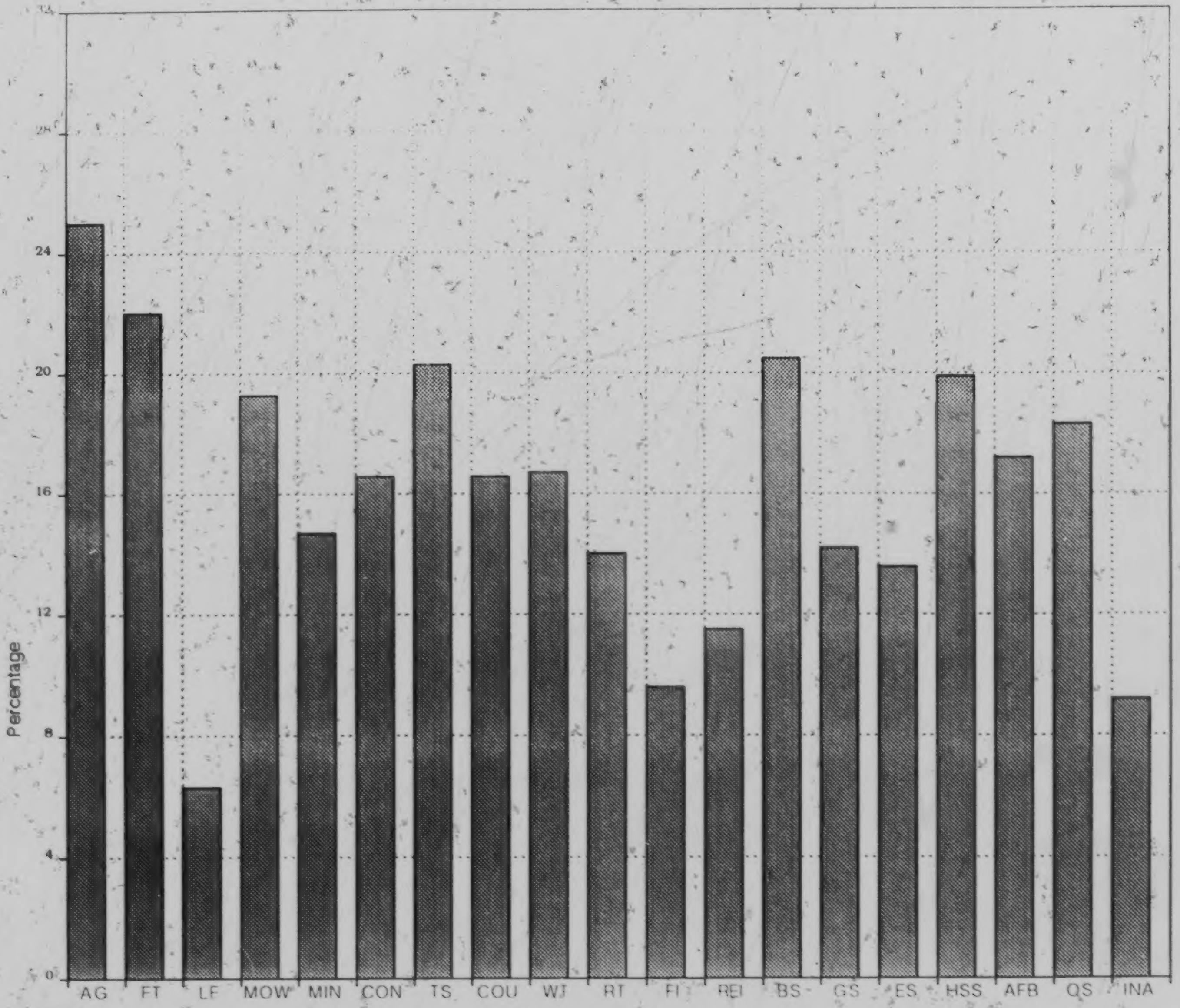


The Fort Smith Region (less Yellowknife) has 81.3% of all Logging and Forestry jobs in the NWT and half of the agricultural jobs However, these two categories combined represent only 2.6% of the jobs in the region

% of NWT Labour Force, by industrial Division Inuvik Region, 1986

Table/Graph 13

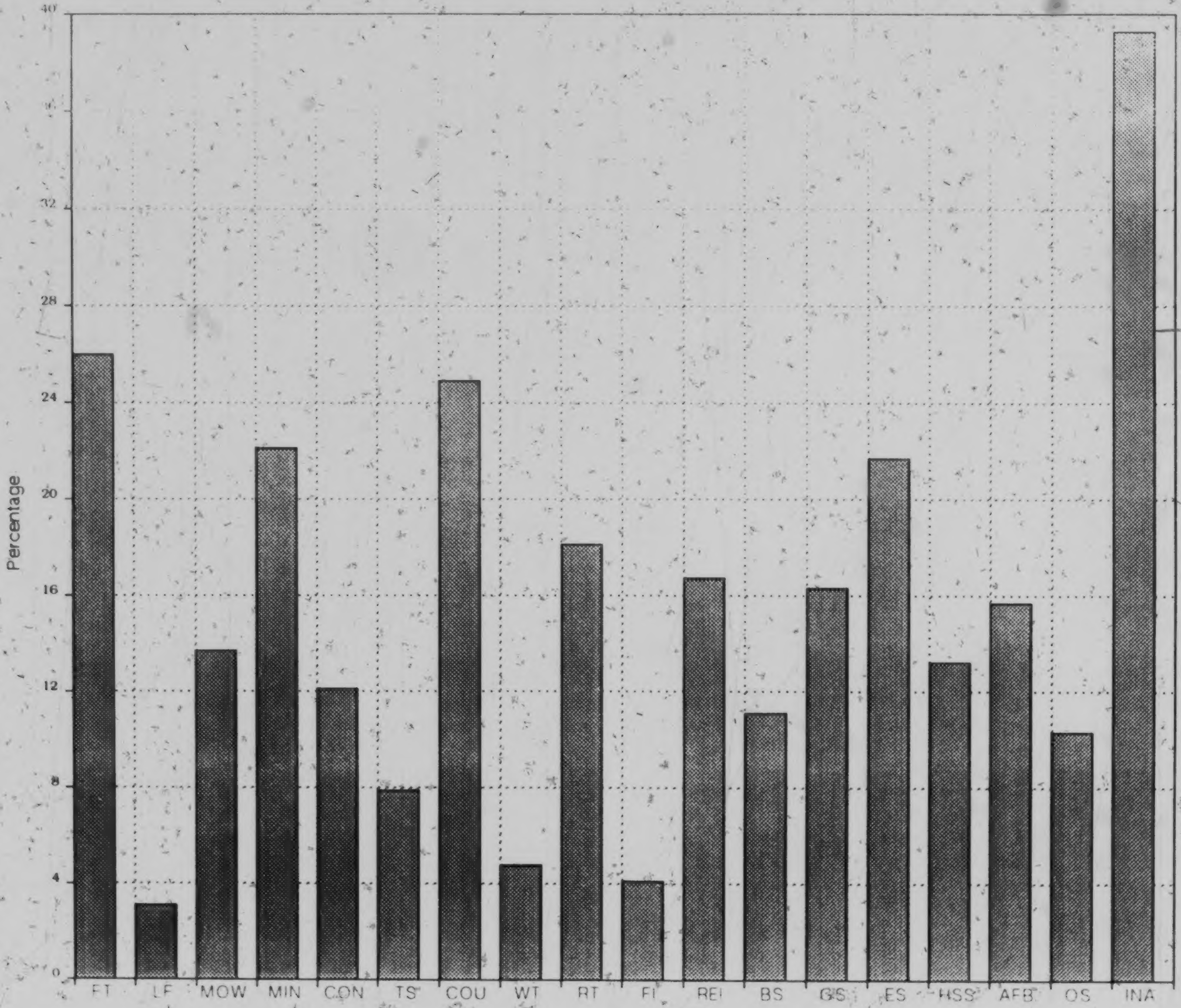
CODE	JOBS	% of NWT TOTAL
AG	15	25
FT	55	22
LF	10	6.3
MOW	445	19.3
MIN	50	14.7
CON	250	16.6
TS	370	20.3
GOU	160	16.6
WL	70	16.7
RT	325	14
FI	35	9.6
REI	55	11.5
BS	120	20.5
GS	810	14.2
ES	270	13.6
HSS	270	19.9
AFB	225	17.2
OS	285	18.3
INA	75	9.2
	3905	16



Table/Graph 14

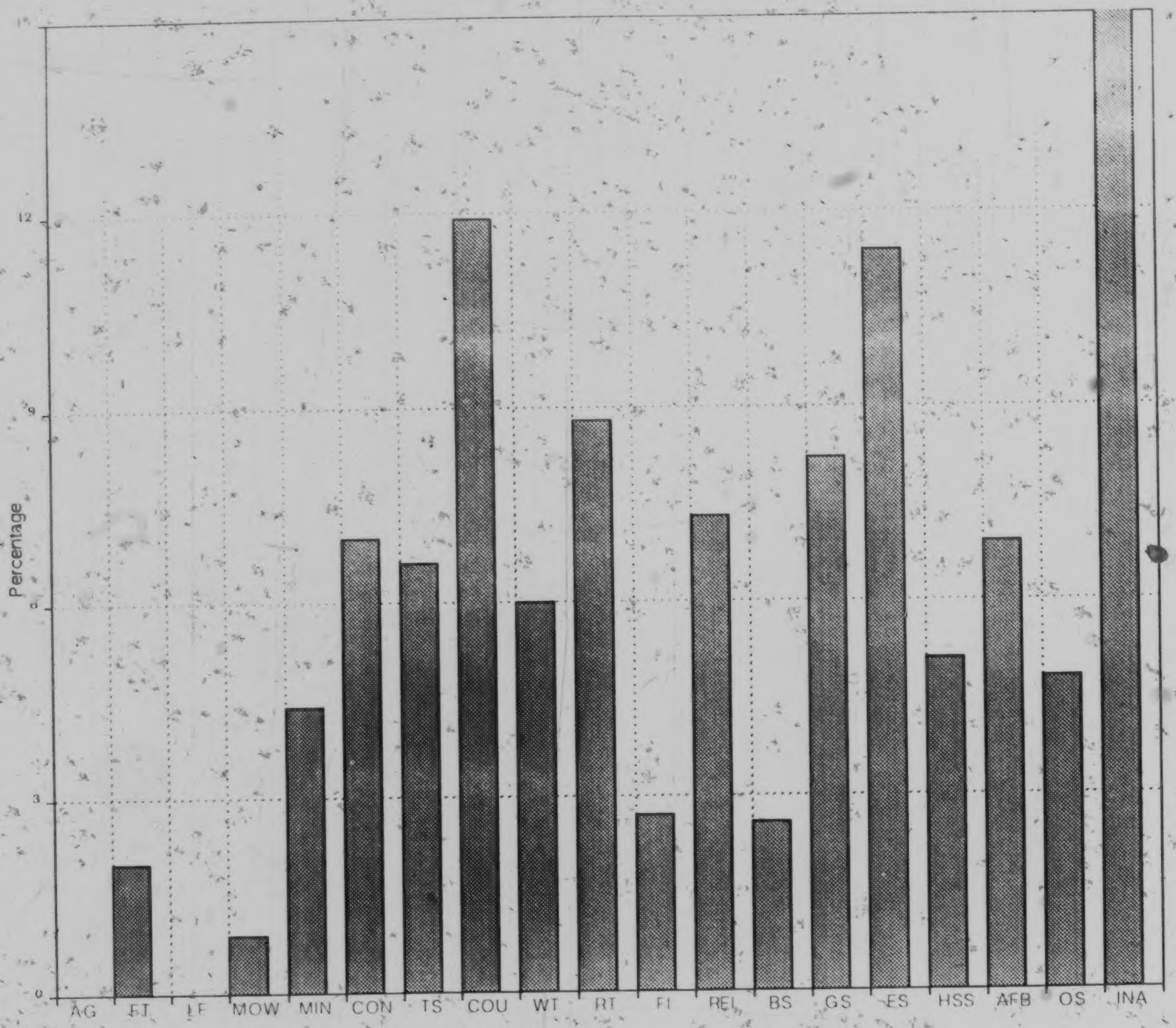
% of NWT Labour Force, by Industrial Division Baffin, 1986

CODE	Jobs	% of NWT TOTAL
AG	0	0
FT	65	26
LF	[illegible]	[illegible]
MOW	315	13.7
MIN	75	22.1
CON	190	12.1
TS	145	7.9
COU	240	24.9
WT	20	4.8
RT	420	18.1
FI	15	4.1
REI	80	16.7
BS	65	11.1
GS	930	16.3
ES	430	21.7
HSS	180	13.2
AFB	205	15.7
OS	160	10.3
INA	320	39.3
	3865	15.9



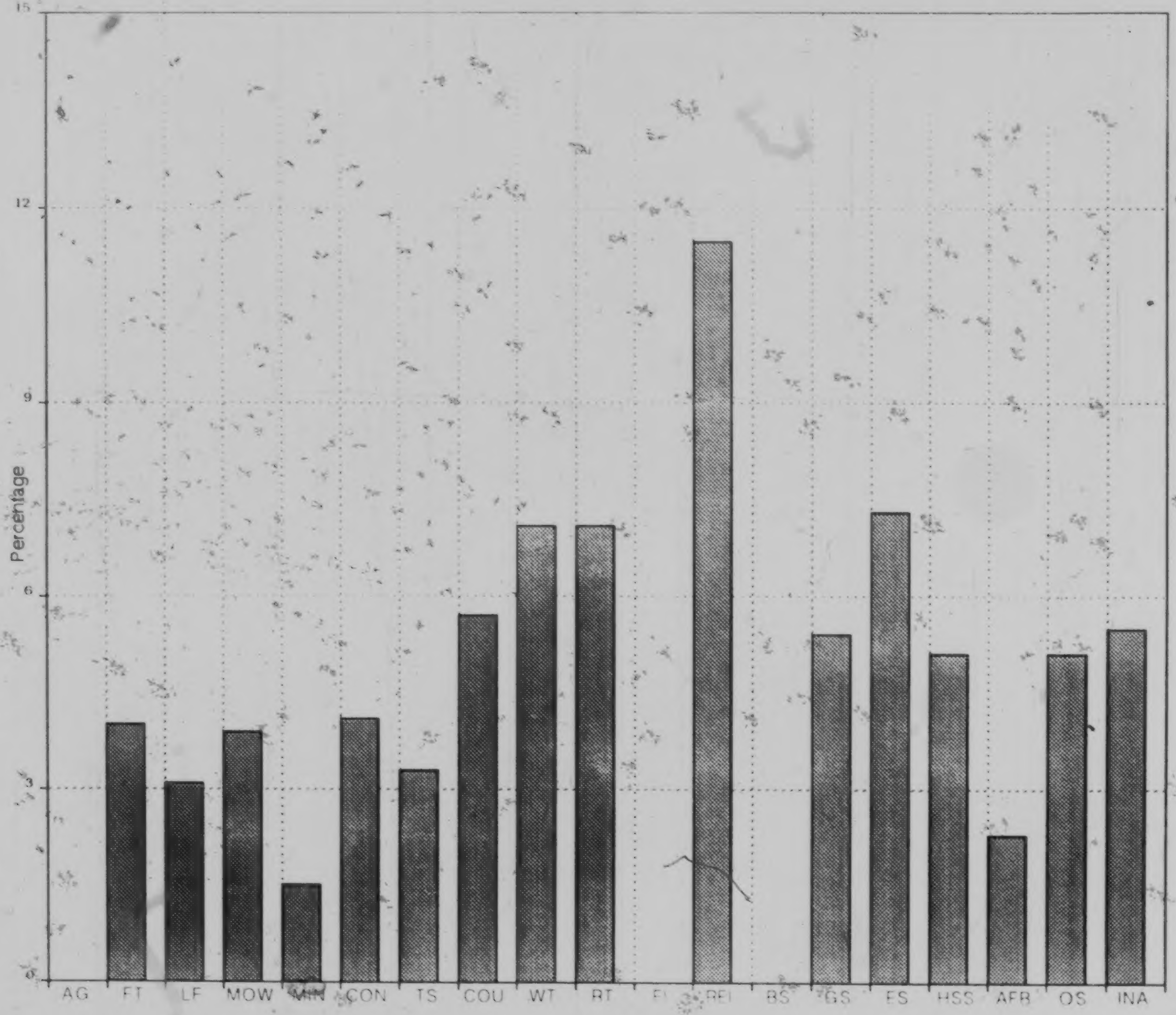
% Of NWT Labour Force, by Industrial Division Keewatin, 1986

CODE	Jobs	% of NWT Total
AG	0	0
FT	5	2
LF	0	0
MOW	20	0 9
MIN	15	4 4
CON	110	7
TS	120	6 6
COU	115	11 9
WT	25	6
RT	205	8 8
FI	10	2 7
REI	35	7 3
BS	15	2 6
GS	465	8 2
ES	225	11 4
HSS	70	5 1
AFB	90	6 9
OS	75	4 8
INA	145	17 8
	1745	7 2

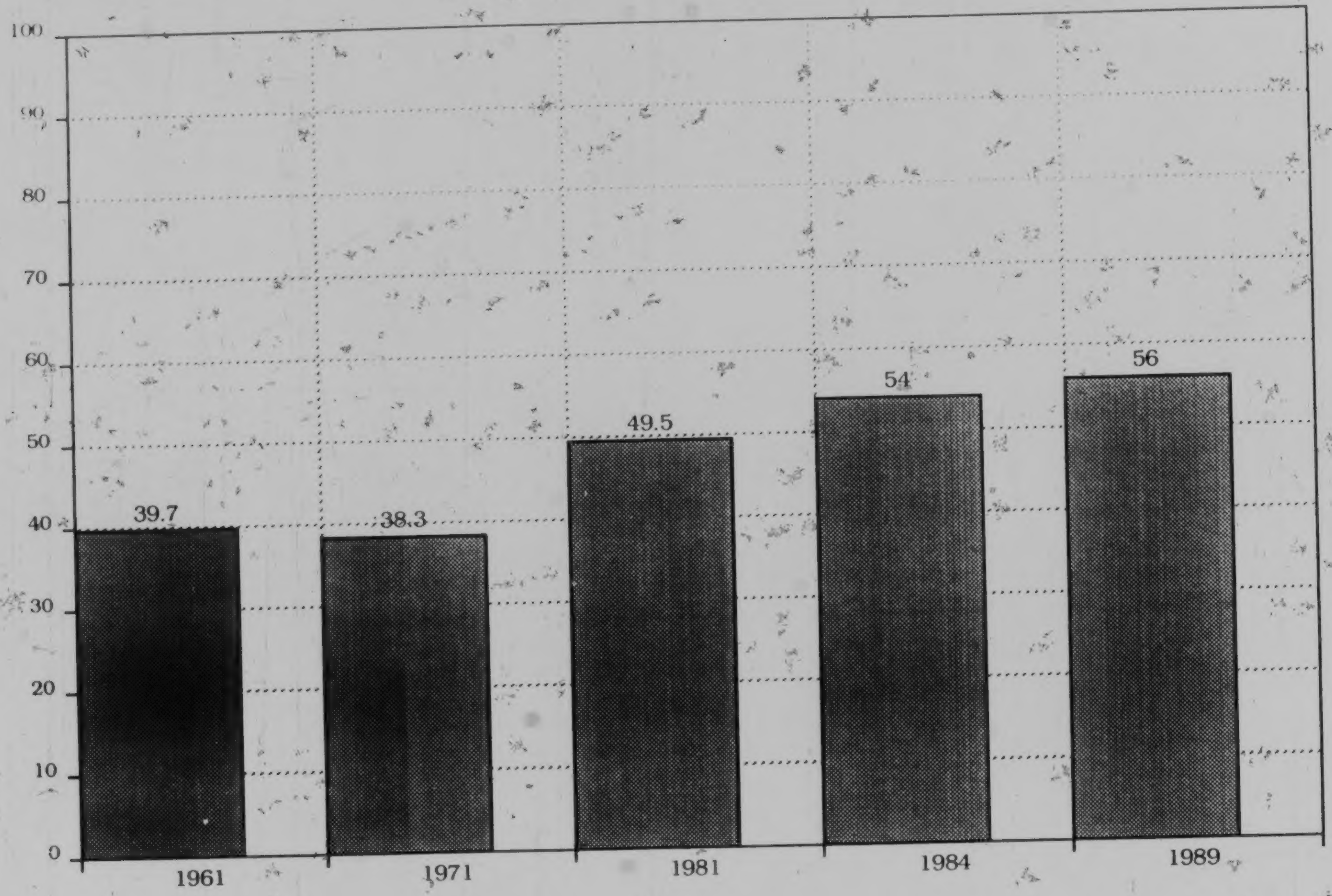


% of NWT Labour Force, by Industrial Division Kitikmeot, 1986

CODE	Jobs	% of NWT Total
AG	0	0
FT	10	[illegible]
LF	[illegible]	[illegible]
MOW	90	3.9
MIN	5	1.5
CON	65	4.1
TS	60	3.3
COU	55	5.7
WT	30	7.1
RT	165	7.1
FI	0	0
REI	55	11.5
BS	0	0
GS	310	5.4
ES	145	7.3
HSS	70	5.1
AFB	30	2.3
OS	80	5.1
INA	45	5.5
	1220	5



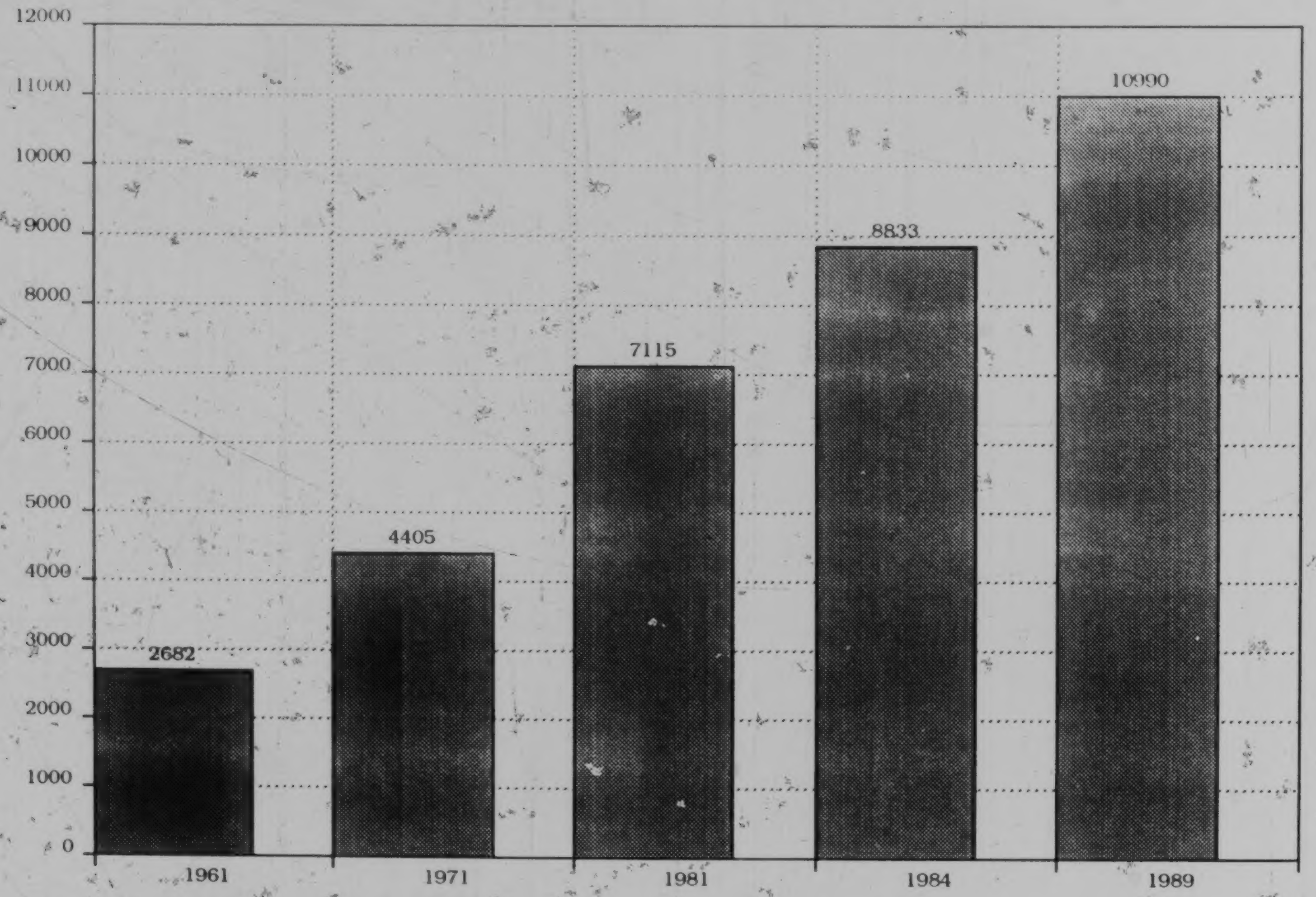
Percentage Native Labour Force Participation Rates, NWT 1961 - 1989



Data Sources:
Oishi, M., (1985) "Native Education and Labour Market Segmentation," unpublished M.Ed. Thesis, Dep. of Ed. Fdn., University of Alberta.
Bureau of Statistics, GNWT. 1984 and 1989 NWT Labour Force Surveys.

Table/Graph 18

Growth of Native Labour Force, NWT 1961 - 1989



Data Sources:
Oishi, M., (1985) "Native Education and Labour Market Segmentation," unpublished M.Ed. Thesis, Dep. of Ed. Fdn., University of Alberta.
Bureau of Statistics, GNWT, 1984 and 1989 NWT Labour Force Surveys

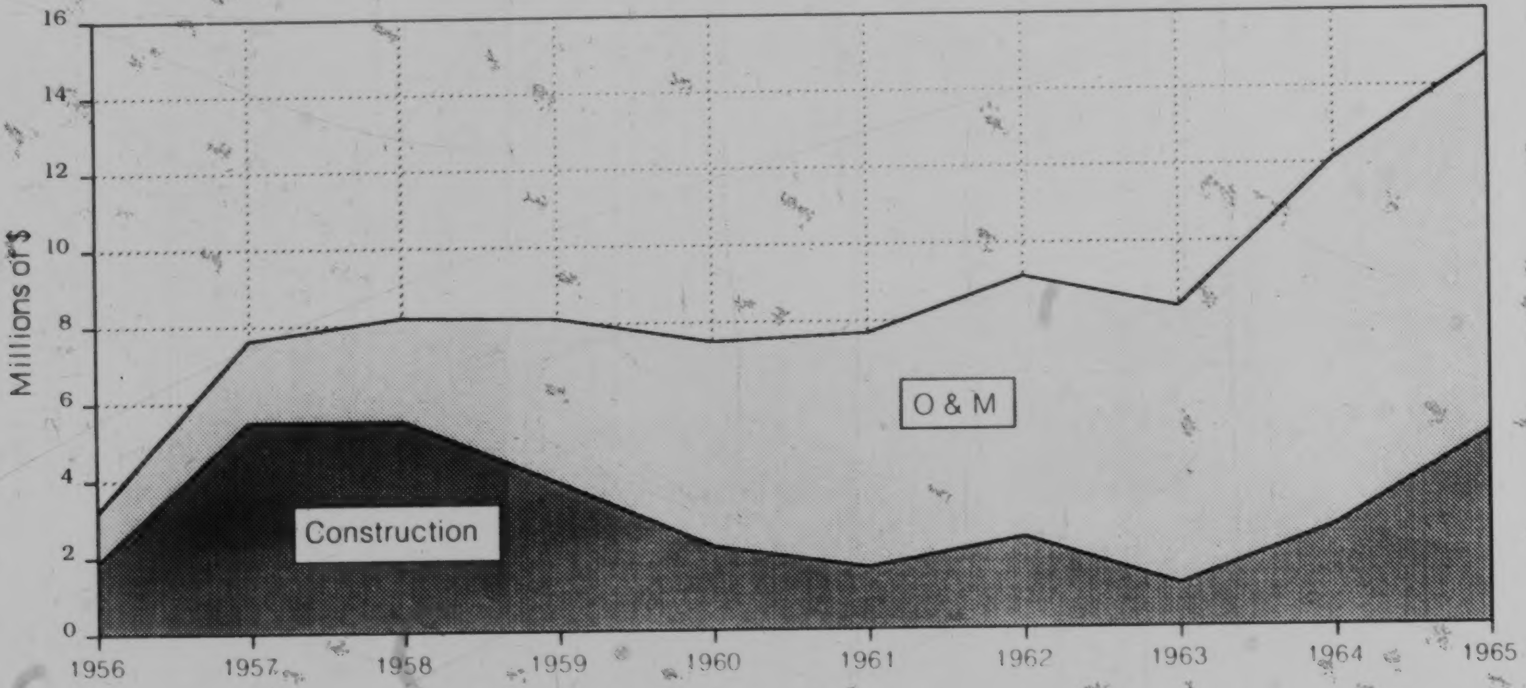
Expenditures on Education Northwest Territories 1956 - 1965

Construction and Operation & Maintenance

Millions of $

Year	Construction	O & M	Total
1956	1.9	1.3	3.2
1957	5.5	2.1	7.6
1958	[illegible]	[illegible]	8.2
1959	3.9	4.2	8.1
1960	2.2	5.3	7.5
1961	1.6	6.1	7.7
1962	2.4	6.7	9.1
1963	1.1	7.2	8.3
1964	2.6	9.5	12.1
1965	5	9.8	14.1
Total	**31.7**	**54.9**	**86.6**

Data Source:
Territorial Council, NWT (1965) "Responsiblity for Education in the NWT", Sessional Paper No. 17, 5th Council, 30th Session, Ottawa



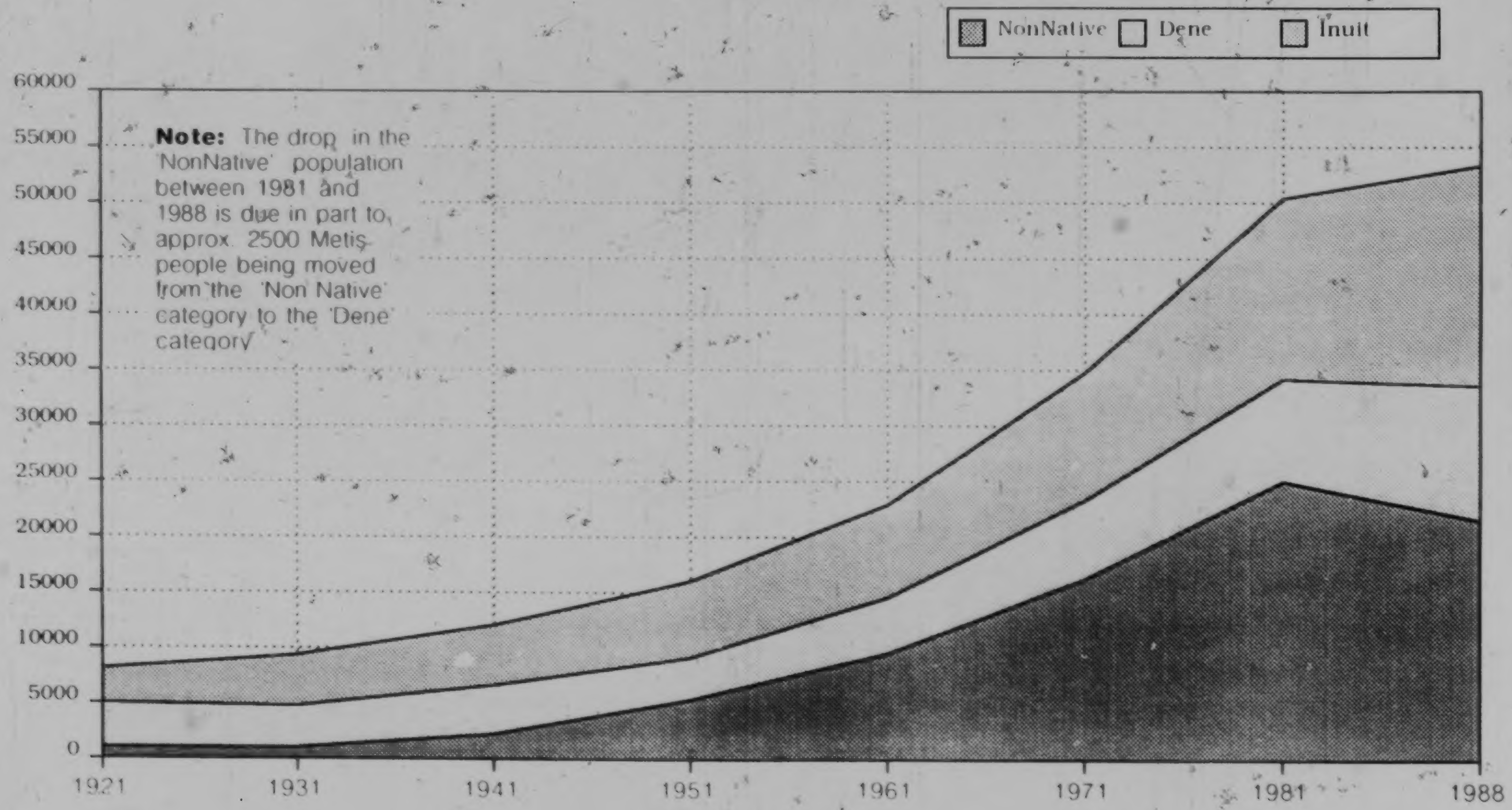
Population Growth by Ethnicity, Northwest Territories 1921 - 1988

Table/Graph 20

Year	NonNative	Dene	Inuit	Total
1921	1028	3873	3242	8143
1931	1004	3689	4623	9316
1941	2290	4334	5404	12028
1951	5321	3838	6822	16004
1961	9660	4915	8423	22998
1971	16226	7185	11400	34810
1981	24967	9140	16284	50396
1988	21432	12471	19739	53342

Data Sources:

1) Robertson, R.G. "A Brief Presented to the Royal Commission on Canada's Economic Prospects," Ottawa, 1955
2) "Northwest Territories Statistical Abstract," Data Management Division, DIAND, 1977)
3) "Population Estimates," GNWT Bureau of Statistics, 1988

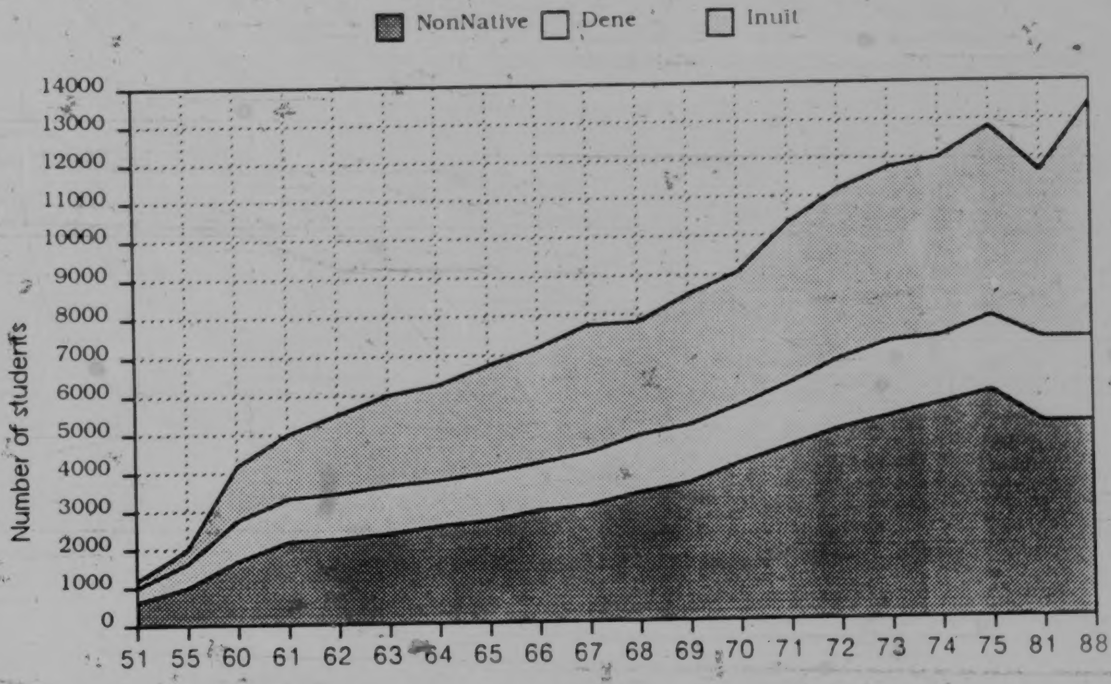


Note: The drop in the 'NonNative' population between 1981 and 1988 is due in part to approx. 2500 Metis people being moved from the 'Non Native' category to the 'Dene' category.

Growth of Pupil Enrolment Northwest Territories 1951 - 1988

Table/Graph 21

Year	NonNative	Dene	Inuit	Total
51	621	368	194	1183
55	1020	618	380	2018
60	1706	1066	1425	4197
61	2189	1130	1710	5029
62	2262	1198	2052	5512
63	2384	1221	2399	6004
64	2560	1187	2494	6241
65	2682	1283	2765	6730
66	2924	1285	2987	7196
67	3077	1347	3343	7767
68	3350	1495	2975	7820
69	3620	1512	3342	8474
70	4108	1524	3400	9032
71	4577	1629	4128	10334
72	5023	1796	4365	11184
73	5285	1944	4493	11722
74	5624	1768	4600	11992
75	5943	1921	4951	12815
81	5137	2168	4331	11636
88	5116	2212	6124	13452



Data Sources:

DIAND (1977) "Northwest Territories Statistical Abstract," Data Management Division, Northern Affairs Program, Ottawa.

Rea, K.J. (1968) The Political Economy of the Canadian North.

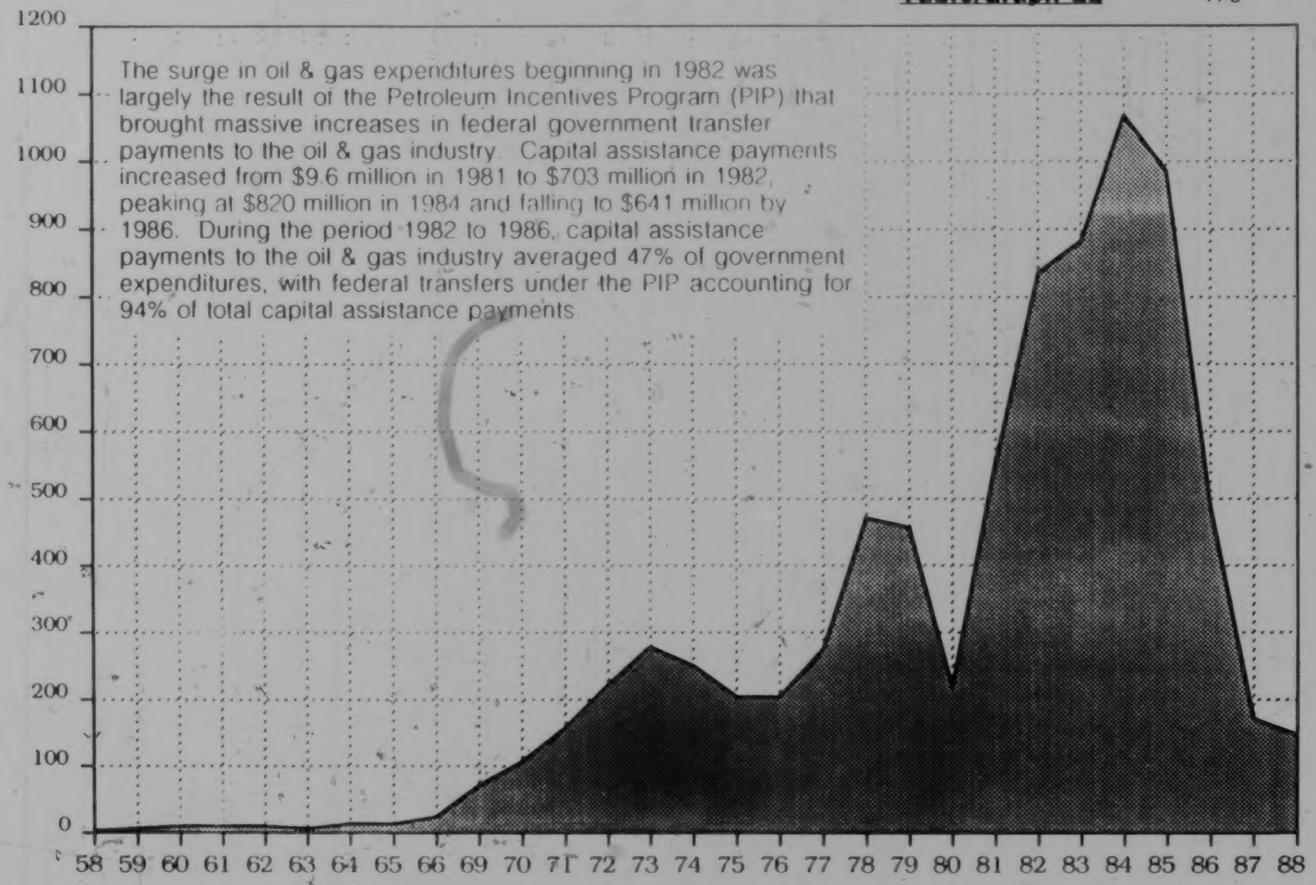
Department of Education (nd) Statistics on Enrolment for Special Committee on Education, Government of the NWT.

Department of Education (1989) Students Records System, GNWT.

Expenditures on Oil and Gas Exploration & Development, NWT 1958 - 1988

Table/Graph 22

Year	$ million
58	3.6
59	6.3
60	9.7
61	11.3
62	10.2
63	7.3
64	14.8
65	16
66	25.6
69	71.3
70	107
71	157
72	223
73	277
74	251
75	203
76	204
77	276
78	473
79	458
80	218
81	552
82	836
83	881
84	1069
85	987
86	491
87	173
88	147



The surge in oil & gas expenditures beginning in 1982 was largely the result of the Petroleum Incentives Program (PIP) that brought massive increases in federal government transfer payments to the oil & gas industry. Capital assistance payments increased from $9.6 million in 1981 to $703 million in 1982, peaking at $820 million in 1984 and falling to $641 million by 1986. During the period 1982 to 1986, capital assistance payments to the oil & gas industry averaged 47% of government expenditures, with federal transfers under the PIP accounting for 94% of total capital assistance payments

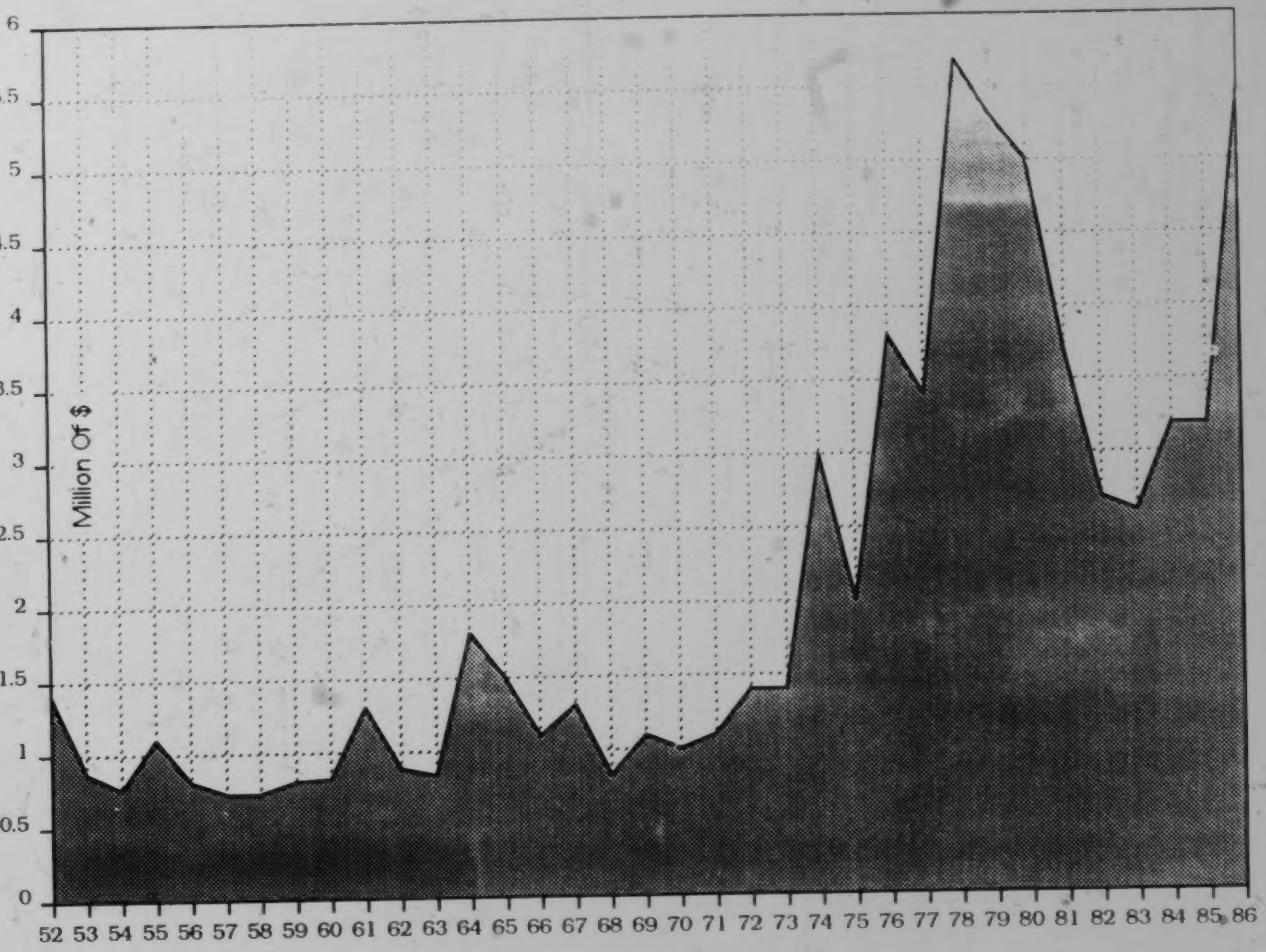
Data Sources:

"Northwest Territories Statistical Abtract," Data Management Division, Northern Affairs Program, DIAND, 1977
"North of 60 Oil & Gas Activities," IANAC, 1975, 1977 &1981
COGLA Annual Reports, 1987 & 1988
"Income and Expenditures Accounts ,1977-1986," GNWT Bureau of Statistics, 1988

Value of Fur Production 1952-53 - 1986-87

Northwest Territories

Table/Graph 23 180



Year	Mill. $
52	1.4
53	0.87
54	0.75
55	1.1
56	0.8
57	0.73
58	0.73
59	0.8
60	0.82
61	1.3
62	0.88
63	0.84
64	1.8
65	1.5
66	1.1
67	1.3
68	0.82
69	1.1
70	1
71	1.1
72	1.4
73	1.4
74	3
75	2
76	3.8
77	3.4
78	5.7
79	5.3
80	5
81	3.7
82	2.7
83	2.6
84	3.2
85	3.2
86	5.5

Data Sources:

DIAND (1977) "Northwest Territories Statistical Abstract," Data Management Division, Northern Affairs Program, Ottawa.

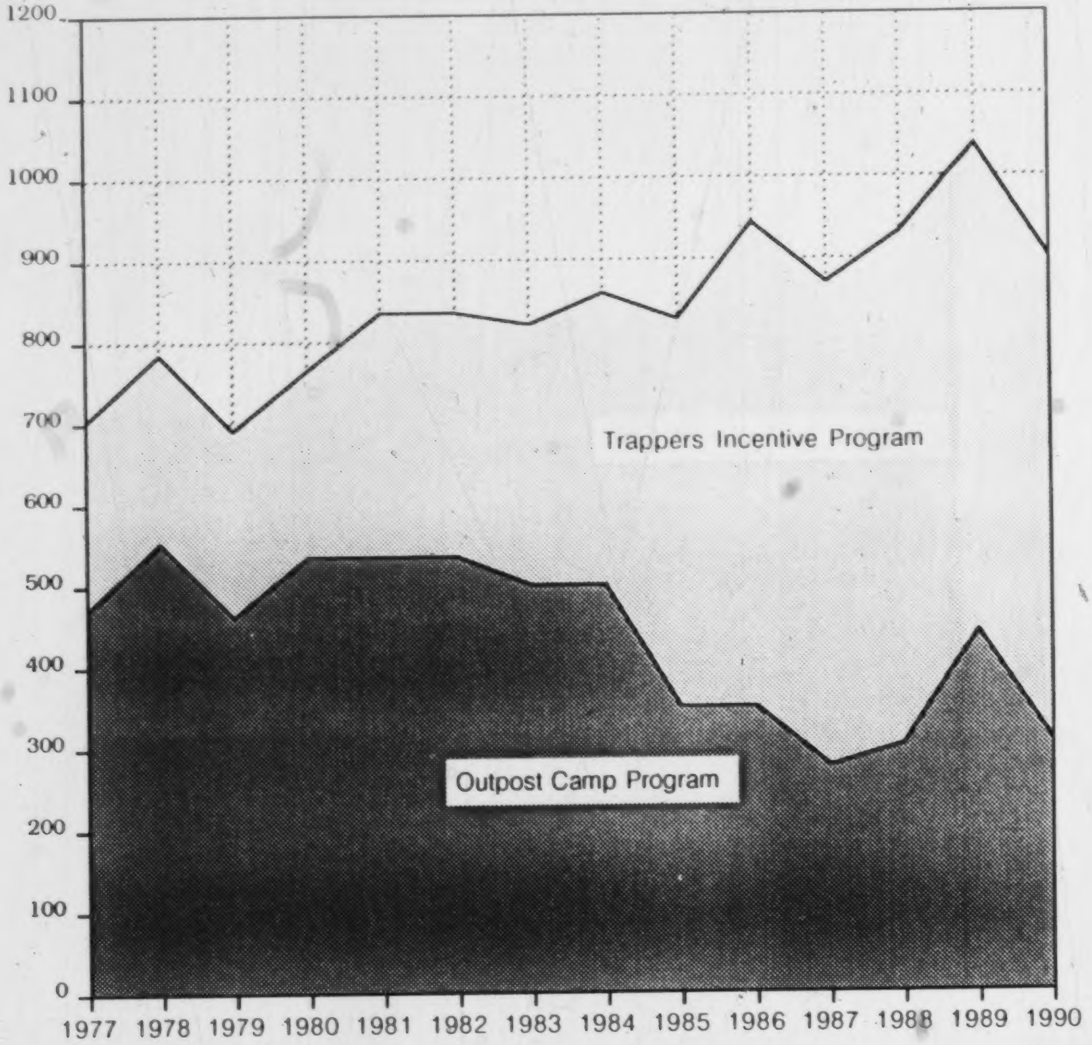
Trapper Income Ranges: 1973-1986, Department of Renewable Resources, Government of the Northwest Territories, Yellowknife.

GNWT Outpost Camp Program and Trappers Incentive Subsidy, 1977 to 1990

Table/Graph 24

Year	Outpost Camp Program	Trappers Incentive Program	Total
1977	472	230	702
1978	554	230	784
1979	462	230	692
1980	535	230	765
1981	535	300	835
1982	535	300	835
1983	500	320	820
1984	500	360	860
1985	350	475	825
1986	350	595	945
1987	275	595	870
1988	303	629	932
1989	442	595	1037
1990	306	595	901

Data Source:
GNWT Main Estimates, 1978/79 to 199



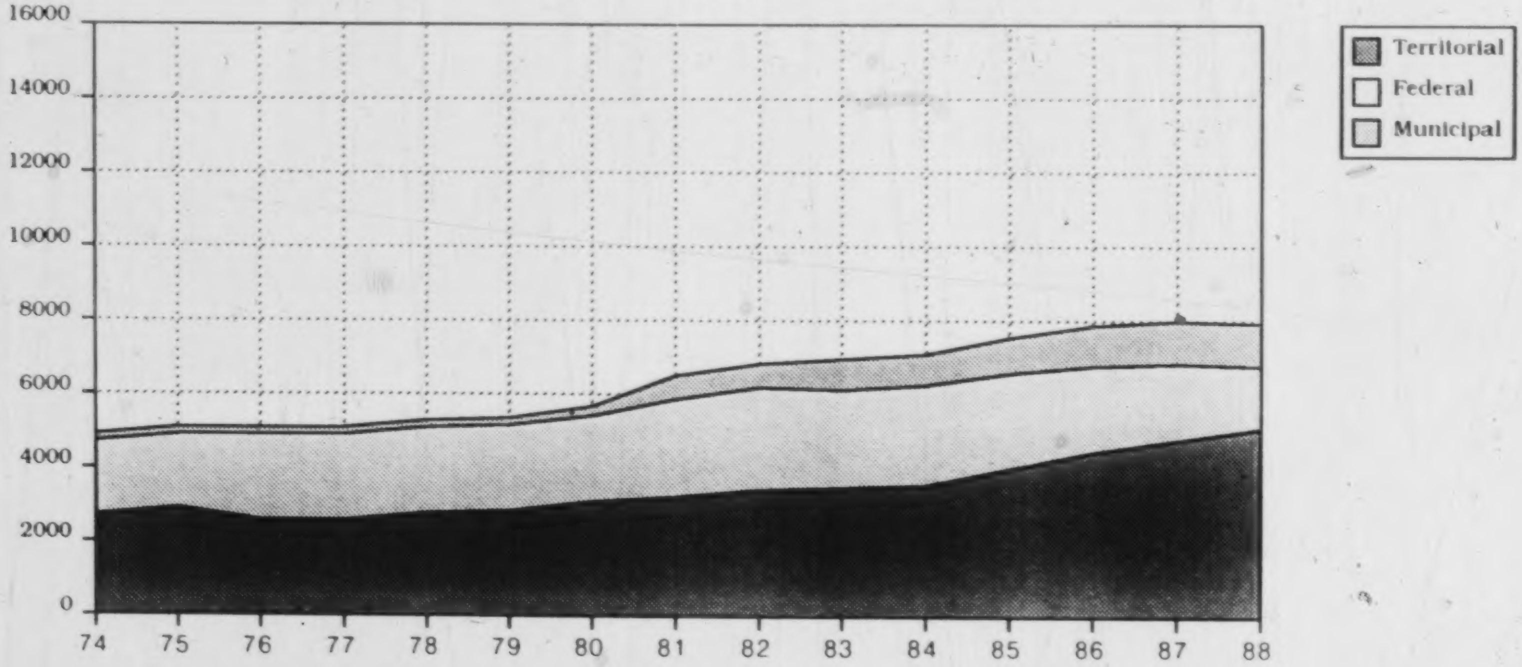
Government Employment Growth, NWT 1974 - 1988

by Territorial, Federal and Municipal

Table/Graph 25

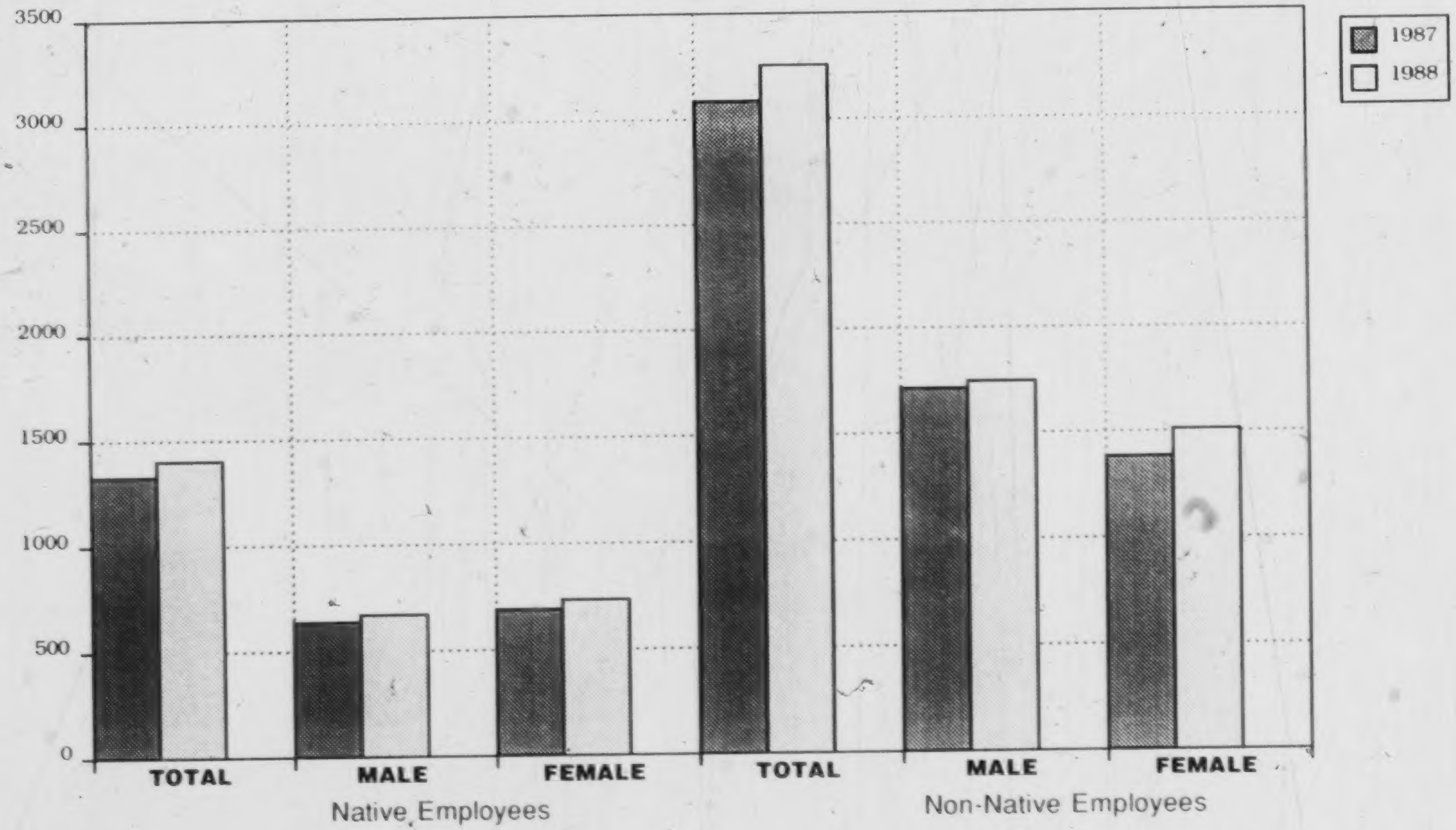
Year	Territorial	Federal	Municipal
74	2706	1991	195
75	2930	1996	201
76	2571	2322	220
77	2601	2286	201
78	2749	2337	220
79	2870	2284	217
80	3075	2367	232
81	3203	2689	619
82	3408	2792	656
83	3478	2682	808
84	3546	2718	833
85	4006	2566	947
86	4443	2330	1067
87	4802	2021	1196
88	5084	1670	1208

Data Source:
Bureau of Statistics, GNWT (1988) TSTAT
On-line access to Territorial Statistics



GNWT Employees by Ethnicity and Sex, 1987 and 1988

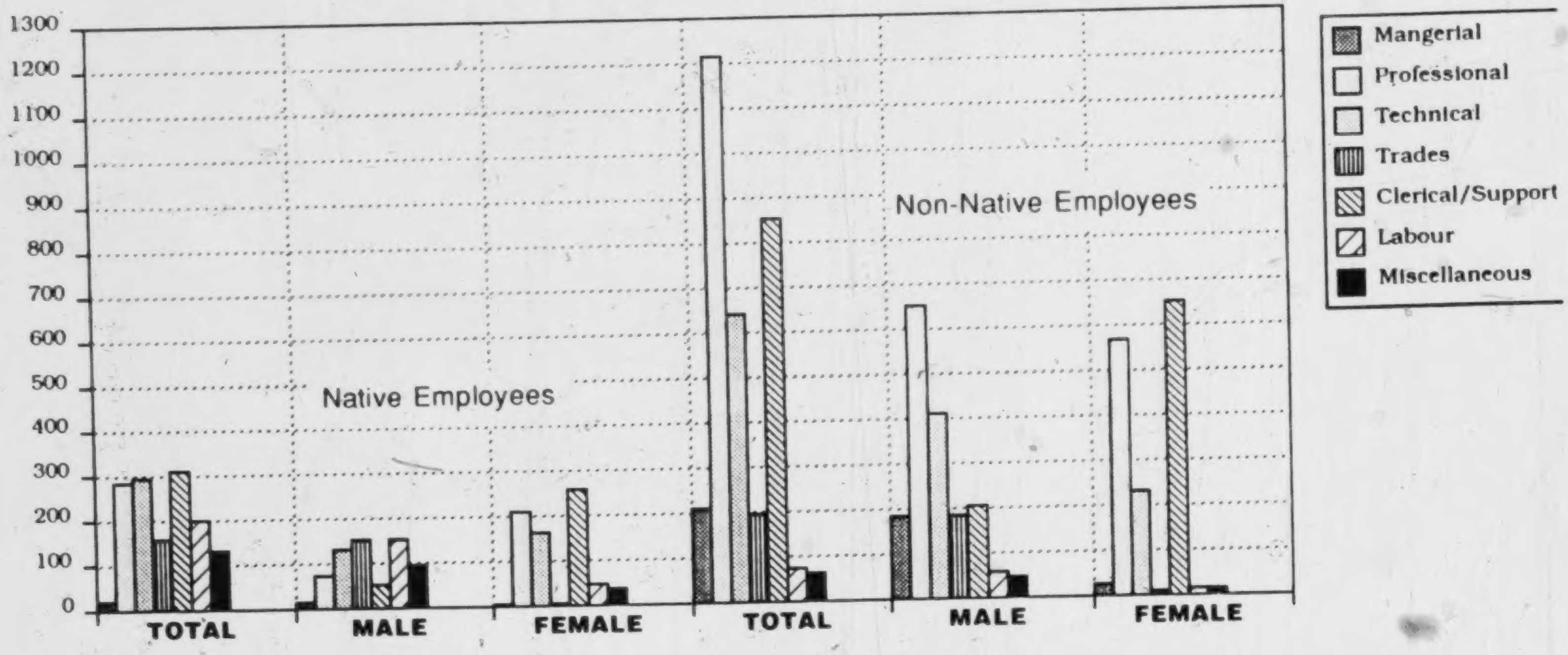
Year	Native Employees			NonNative Employees			Total
	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	
1987	1329	640	689	3086	1708	1378	4415
1988	1406	675	731	3252	1740	1512	4658
% Increase	5.8%	5.5%	6.1%	5.4%	1.9%	9.7%	5.5%



Table/Graph 27

GNWT Employees by SGI Classification, September 1988: All Regions

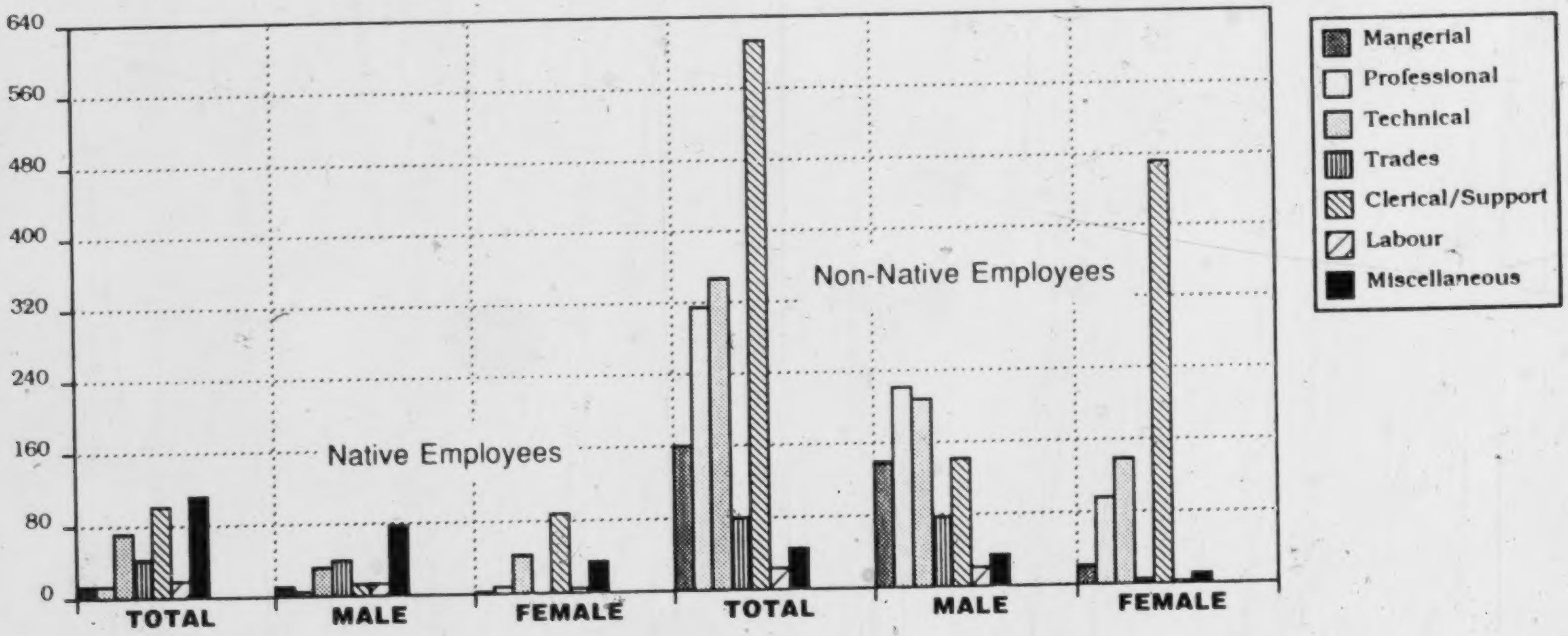
	Native Employees			NonNative Employees			Total
SGI Classification	**TOTAL**	**MALE**	**FEMALE**	**TOTAL**	**MALE**	**FEMALE**	
Mangerial	21	18	3	210	183	27	231
Professional	286	76	210	1217	650	567	1503
Technical	297	132	165	640	411	229	937
Trades	159	152	7	194	184	10	353
Clerical/Support	312	52	260	855	205	650	1167
Labour	200	152	48	74	60	14	274
Miscellaneous	131	93	38	62	47	15	193
TOTAL	1406	675	731	3252	1740	1512	4658



GNWT Employees by SGI Classification, September 1988: Headquarters (Yellowknife)

Table/Graph 28

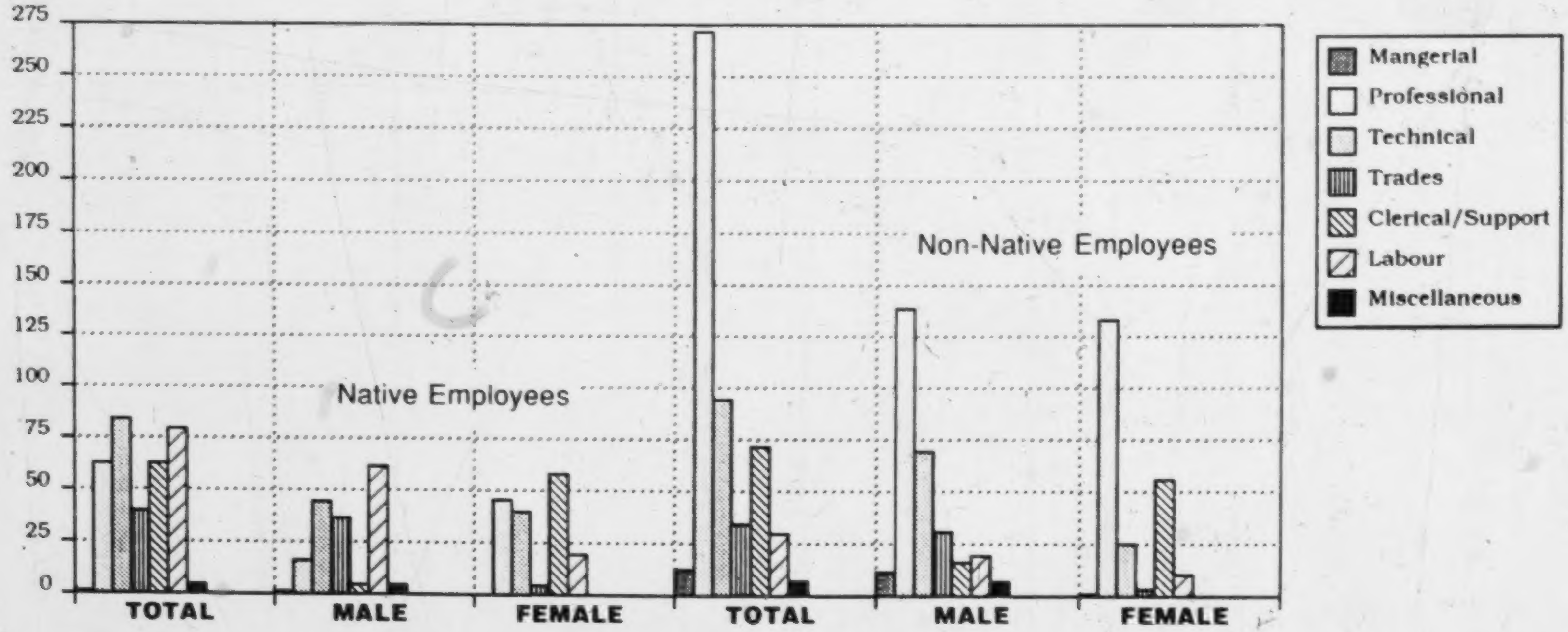
	Native Employees			NonNative Employees			Total
SGI Classification	**TOTAL**	**MALE**	**FEMALE**	**TOTAL**	**MALE**	**FEMALE**	
Mangerial	13	11	2	159	139	20	172
Professional	12	4	8	315	220	95	327
Technical	73	31	42	346	208	138	419
Trades	42	41	1	81	76	5	123
Clerical/Support	102	14	88	613	141	472	715
Labour	18	14	4	23	21	2	41
Miscellaneous	113	78	35	46	35	11	159
TOTAL	373	193	180	1583	840	743	1956



Table/Graph 29

GNWT Employees by SGI Classification, September 1988: Fort Smith Region

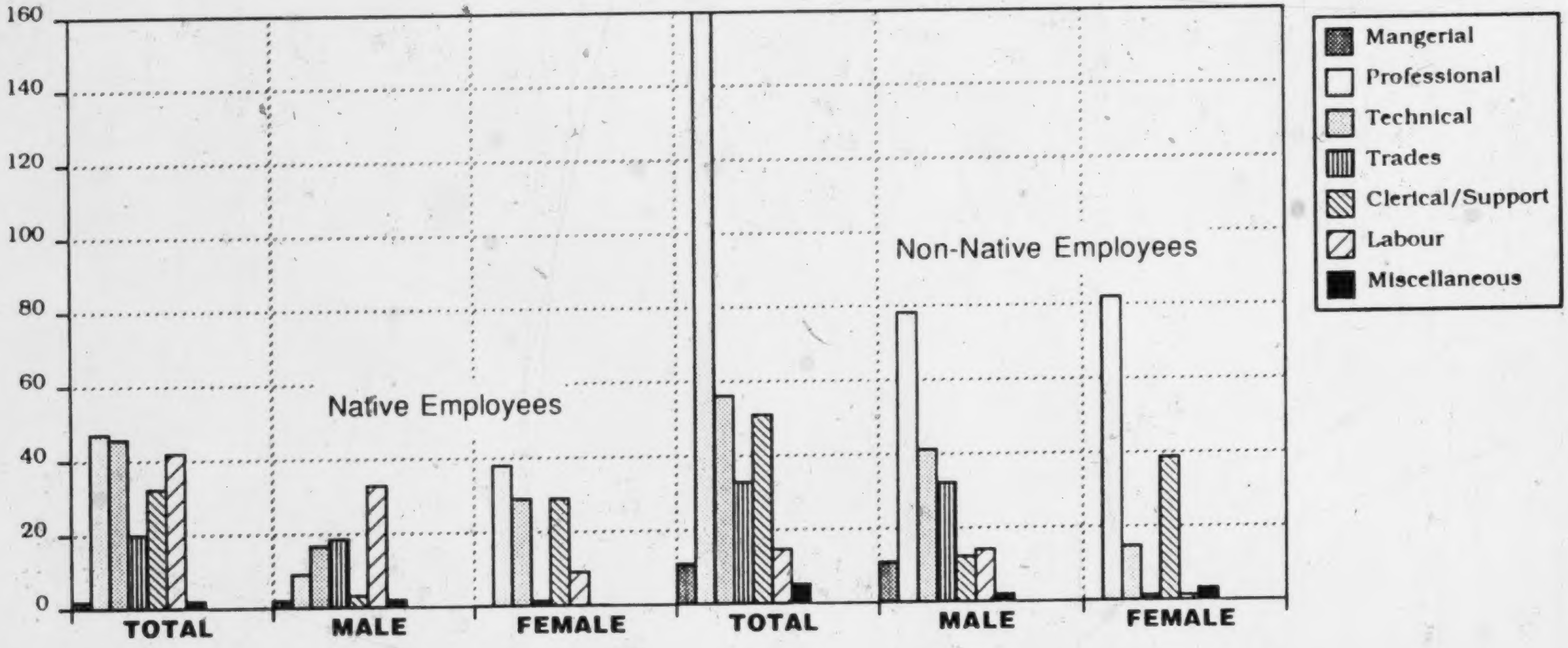
	Native Employees			NonNative Employees			Total
SGI Classification	**TOTAL**	**MALE**	**FEMALE**	**TOTAL**	**MALE**	**FEMALE**	
Mangerial	1	1	0	12	11	1	13
Professional	62	16	46	272	139	133	334
Technical	84	44	40	94	69	25	178
Trades	40	36	4	34	31	3	74
Clerical/Support	63	5	58	72	16	56	135
Labour	80	61	19	29	19	10	109
Miscellaneous	5	5	0	7	7	0	12
TOTAL	335	168	167	520	292	228	855



Table/Graph 30

GNWT Employees by SGI Classification, September 1988: Inuvik Region

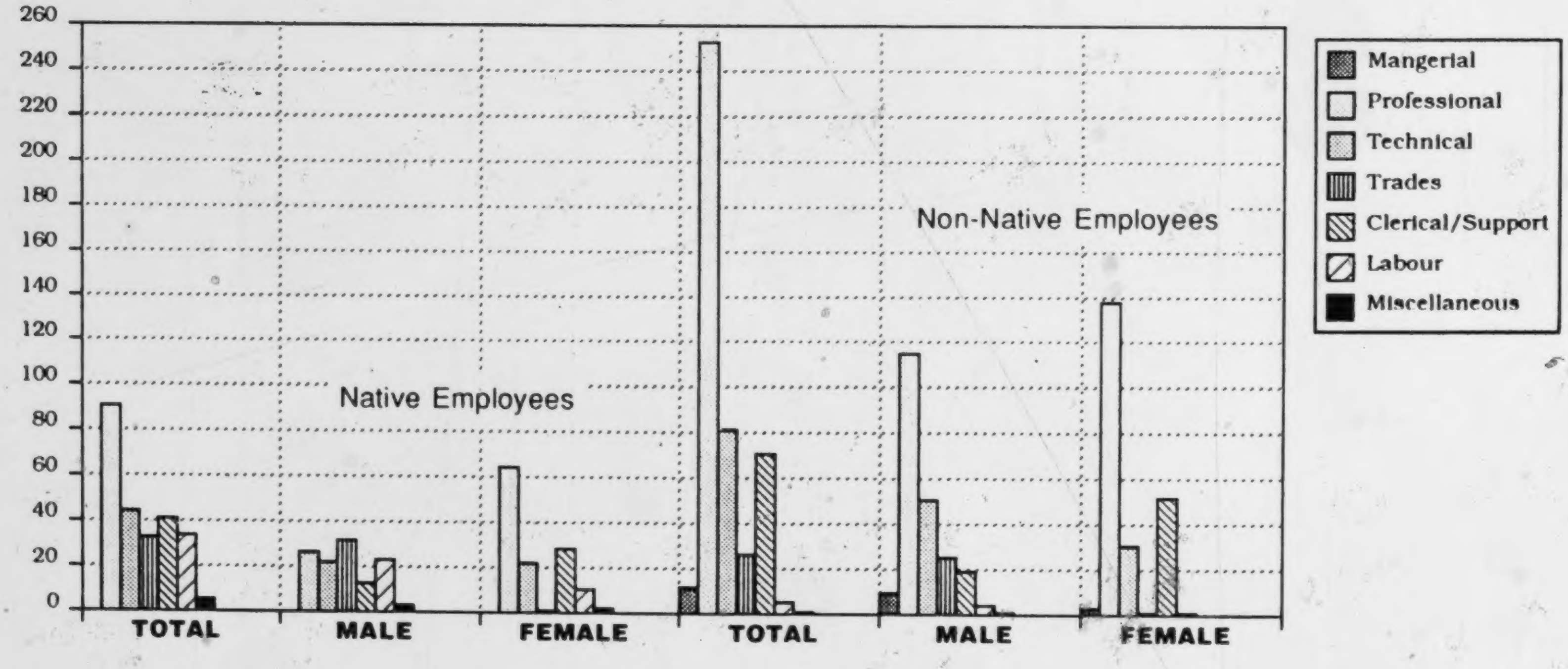
	Native Employees			NonNative Employees			Total
SGI Classification	**TOTAL**	**MALE**	**FEMALE**	**TOTAL**	**MALE**	**FEMALE**	
Mangerial	2	2	0	11	11	0	13
Professional	47	9	38	160	78	82	207
Technical	46	17	29	56	41	15	102
Trades	20	19	1	33	32	1	53
Clerical/Support	32	3	29	51	12	39	83
Labour	42	33	9	15	14	1	57
Miscellaneous	2	2	0	5	2	3	7
TOTAL	191	85	106	331	190	141	522



Table/Graph 31

GNWT Employees by SGI Classification, September 1988: Baffin Region

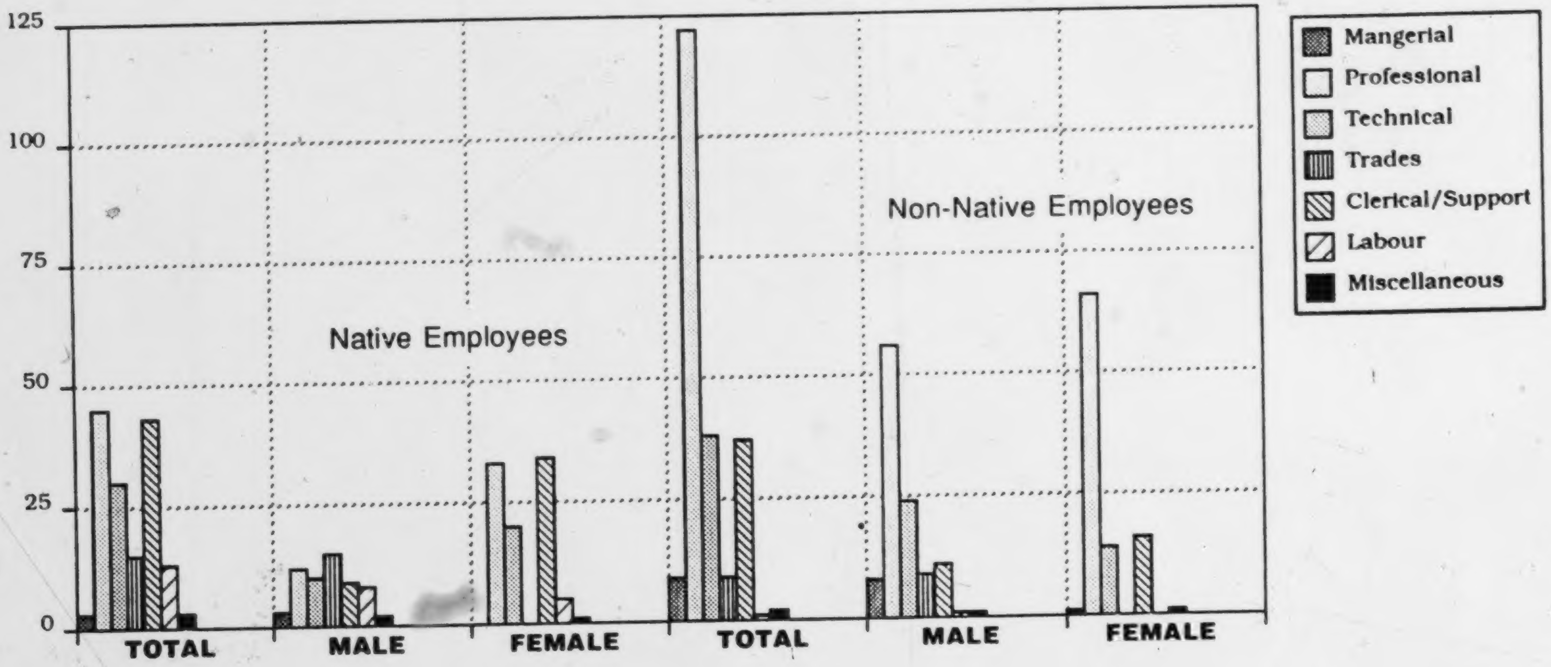
	Native Employees			NonNative Employees			Total
SGI Classification	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	
Mangerial	0	0	0	12	9	3	12
Professional	90	26	64	253	115	138	343
Technical	44	22	22	81	50	31	125
Trades	33	32	1	26	25	1	59
Clerical/Support	41	13	28	71	19	52	112
Labour	34	23	11	5	4	1	39
Miscellaneous	5	3	2	1	1	0	6
TOTAL	247	119	128	449	223	226	696



Table/Graph 32

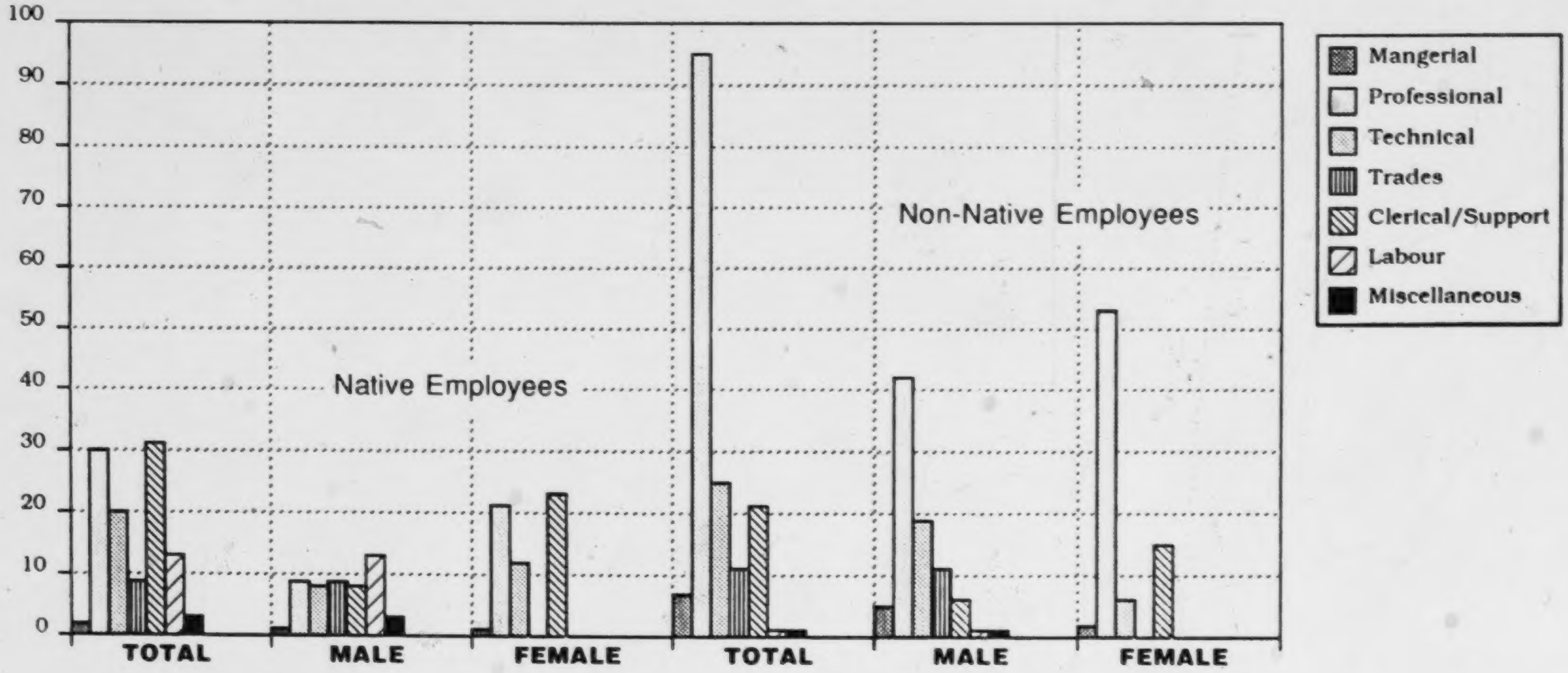
GNWT Employees by SGI Classification, September 1988: Keewatin Region

	Native Employees			NonNative Employees			Total
SGI Classification	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	
Mangerial	3	3	0	9	8	1	12
Professional	45	12	33	122	56	66	167
Technical	30	10	20	38	24	14	68
Trades	15	15	0	9	9	0	24
Clerical/Support	43	9	34	37	11	16	80
Labour	13	8	5	1	1	0	14
Miscellaneous	3	2	1	2	1	1	5
TOTAL	152	59	93	218	110	98	370



GNWT Employees by SGI Classification, September 1988: Kitikmeot Region

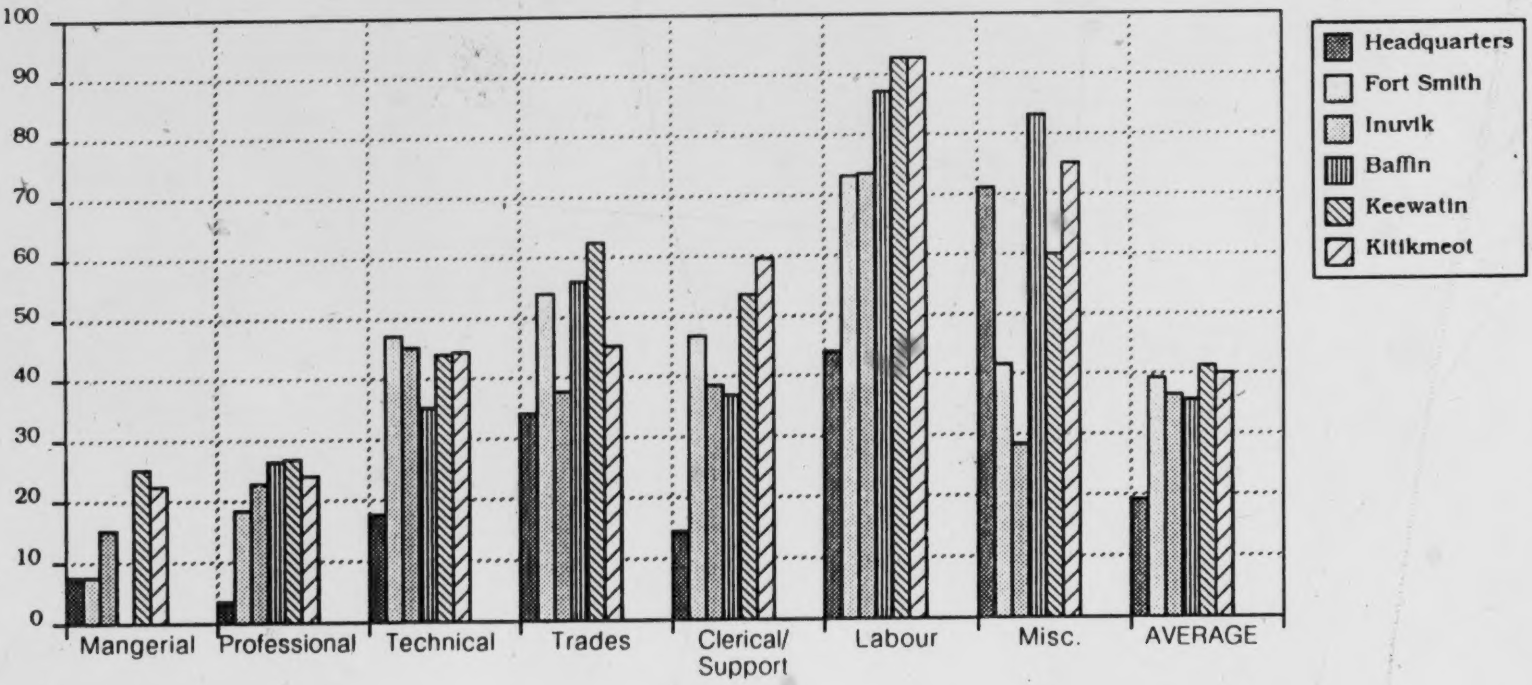
	Native Employees			NonNative Employees			Total
SGI Classification	**TOTAL**	**MALE**	**FEMALE**	**TOTAL**	**MALE**	**FEMALE**	
Mangerial	2	1	1	7	5	2	9
Professional	30	9	21	95	42	53	125
Technical	20	8	12	25	19	6	45
Trades	9	9	0	11	11	0	20
Clerical/Support	31	8	23	21	6	15	52
Labour	13	13	0	1	1	0	14
Miscellaneous	3	3	0	1	1	0	4
TOTAL	108	51	57	161	85	76	269



Table/Graph 34

GNWT Employees by % Native, by Classification & Region, September 1988

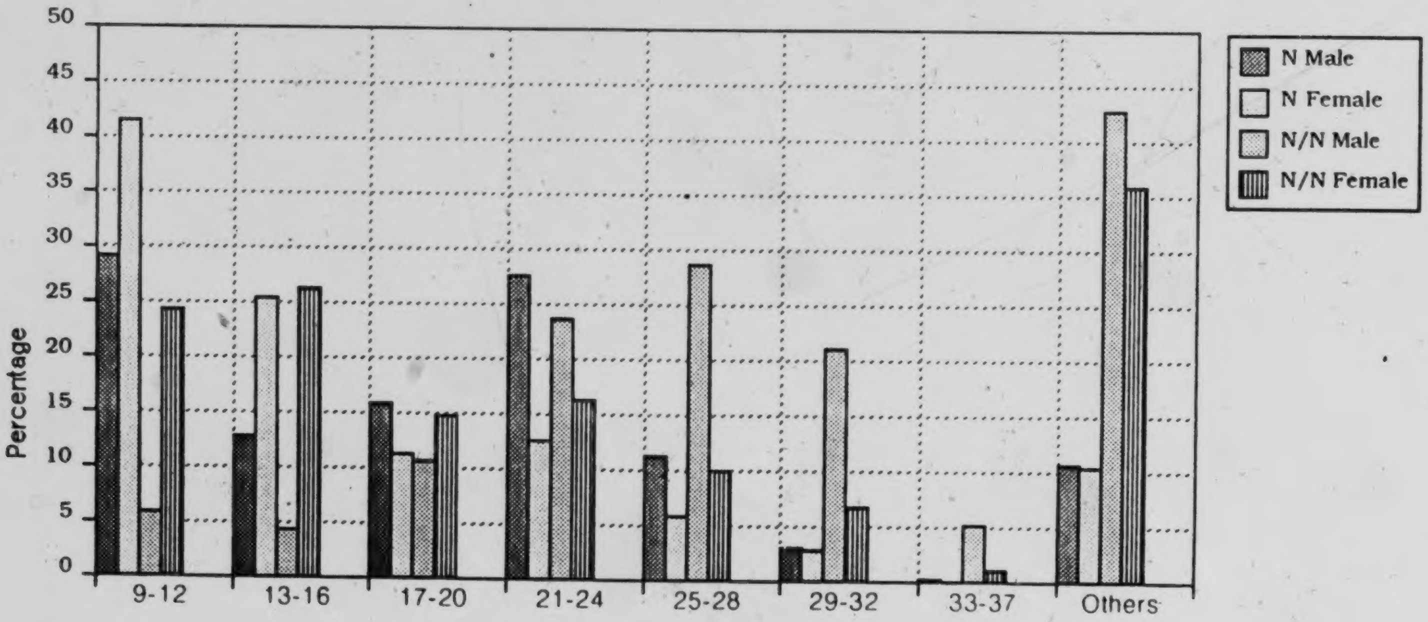
SGI Classification	Headquarters	Fort Smith	Inuvik	Baffin	Keewatin	Kitikmeot
Mangerial	7.6	7.7	15.4	0.0	25.0	22.2
Professional	3.7	18.6	22.7	26.2	26.9	24.0
Technical	17.4	47.2	45.1	35.2	44.1	44.4
Trades	34.1	54.1	37.7	55.9	62.5	45.0
Clerical/ Support	14.3	46.7	38.6	36.6	53.8	59.6
Labour	43.9	73.4	73.7	87.2	92.9	92.9
Misc.	71.1	41.7	28.6	83.3	60.0	75.0
AVERAGE	19.1	39.2	36.6	35.5	41.1	40.1



Table/Graph 35

Percentage Distribution of GNWT Employees by Pay Range, September 1988

	% Natives		% Non-Natives	
Paylevels	**N Male**	**N Female**	**N/N Male**	**N/N Female**
9-12	29.1	41.6	5.9	24.4
13-16	12.9	25.5	4.4	26.4
17-20	15.8	11.4	10.6	14.8
21-24	27.6	12.5	23.6	16.2
25-28	11.2	5.9	28.8	9.9
29-32	3	2.9	21.1	6.8
33-37	0.19	0	5.2	1.1
Others	10.7	10.5	42.9	35.8

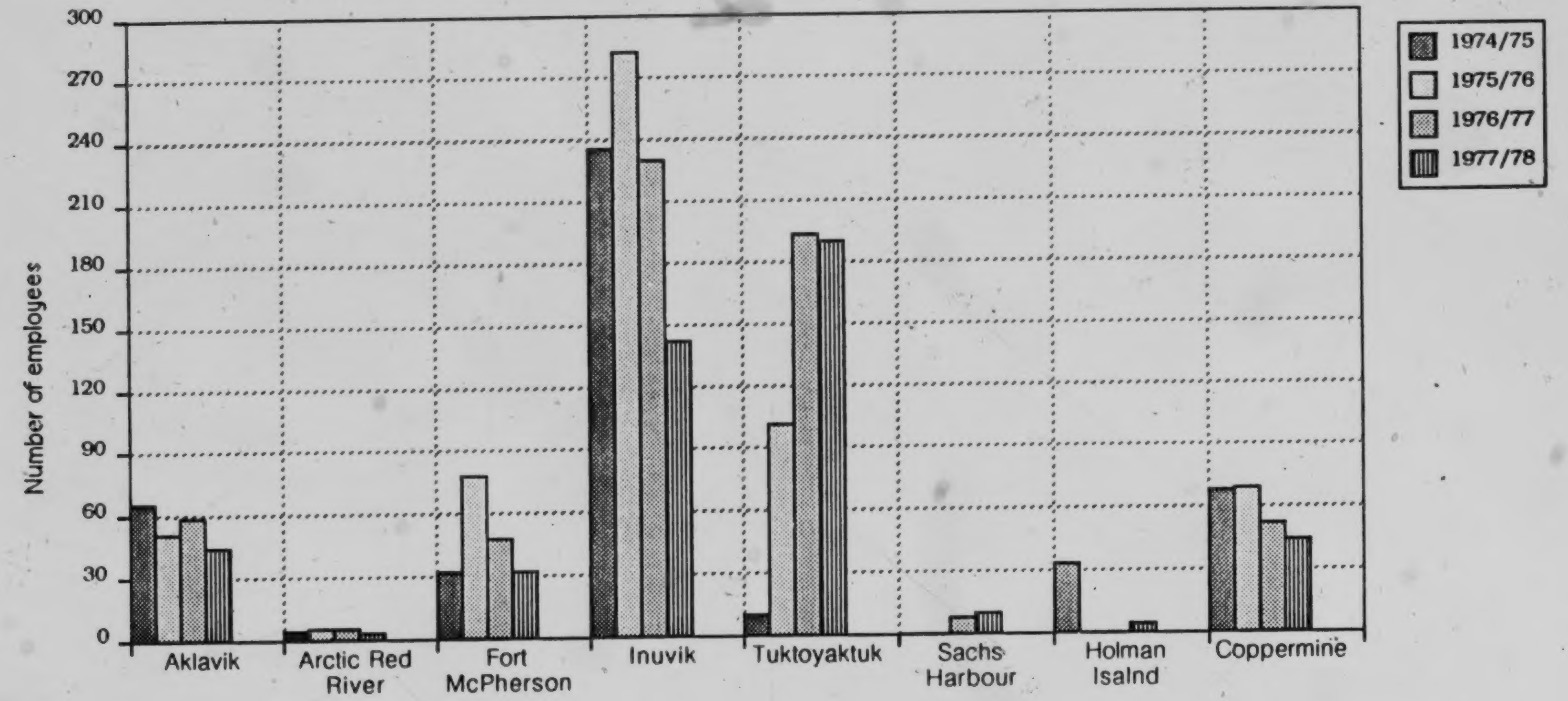


Oil Industry Employment, Beaufort Delta Communities 1974 to 1978

Table/Chart 36

	Number of Employees			
Community	**1974/75**	**1975/76**	**1976/77**	**1977/78**
Aklavik	66	51	59	44
Arctic Red River	4	6	6	3
Fort McPherson	32	78	48	32
Inuvik	235	282	230	142
Tuktoyaktuk	10	101	193	190
Sachs Harbour	0	0	8	10
Holman Isalnd	33	0	0	4
Coppermine	68	69	52	44

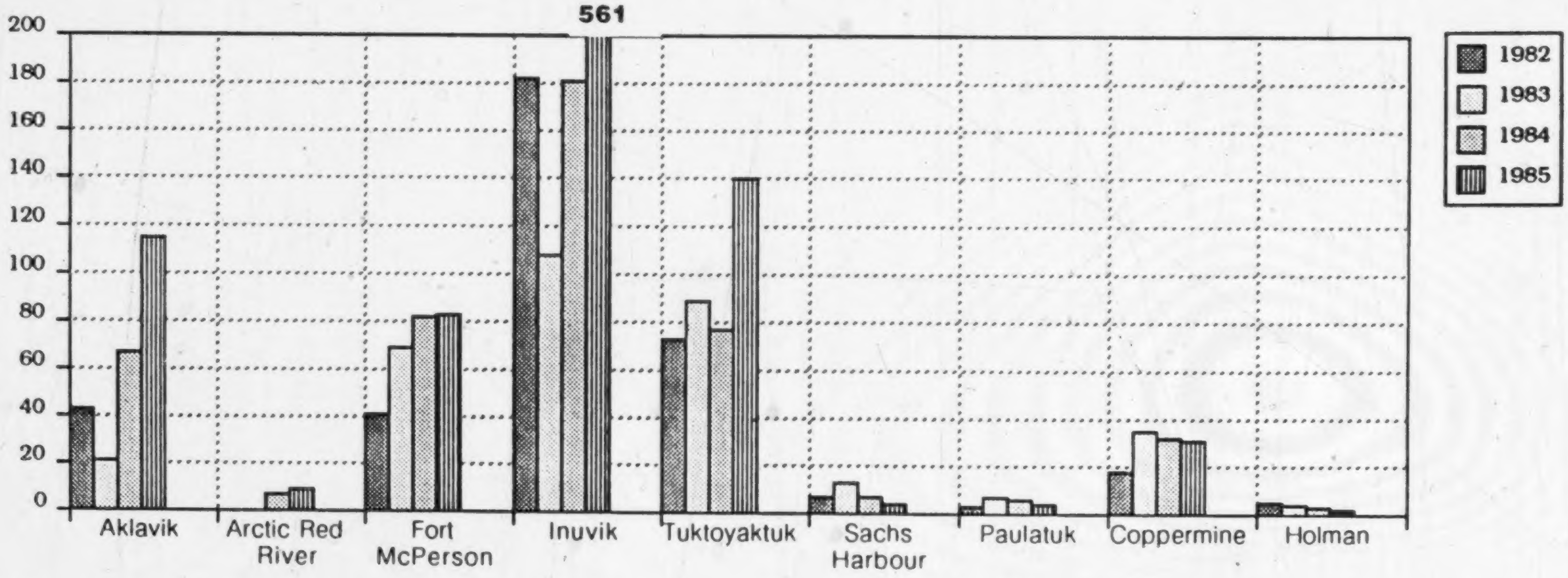
Data Source:
The Petroleum Industry Committee on the Employment of Northern Residents, Annual Report 1977-78. Calgary Alberta.



Oil Industry Employment & Wages, Beaufort/Delta Communities 1982 - 1985

Table/Graph 37

Number of Employees					Wages ($000's)	
Community	1982	1983	1984	1985	1982	1985
Aklavik	43	21	67	115	1,181	2,022
Arctic Red River	0	0	7	9	0	45
Fort McPerson	41	69	82	83	1,170	906
Inuvik	182	108	181	561	5,197	5,635
Tuktoyaktuk	73	89	77	140	3,273	2,371
Sachs Harbour	7	13	7	4	199	75
Paulatuk	3	7	6	4	64	73
Coppermine	18	35	32	31	499	N/A
Holman	5	4	3	2	157	N/A

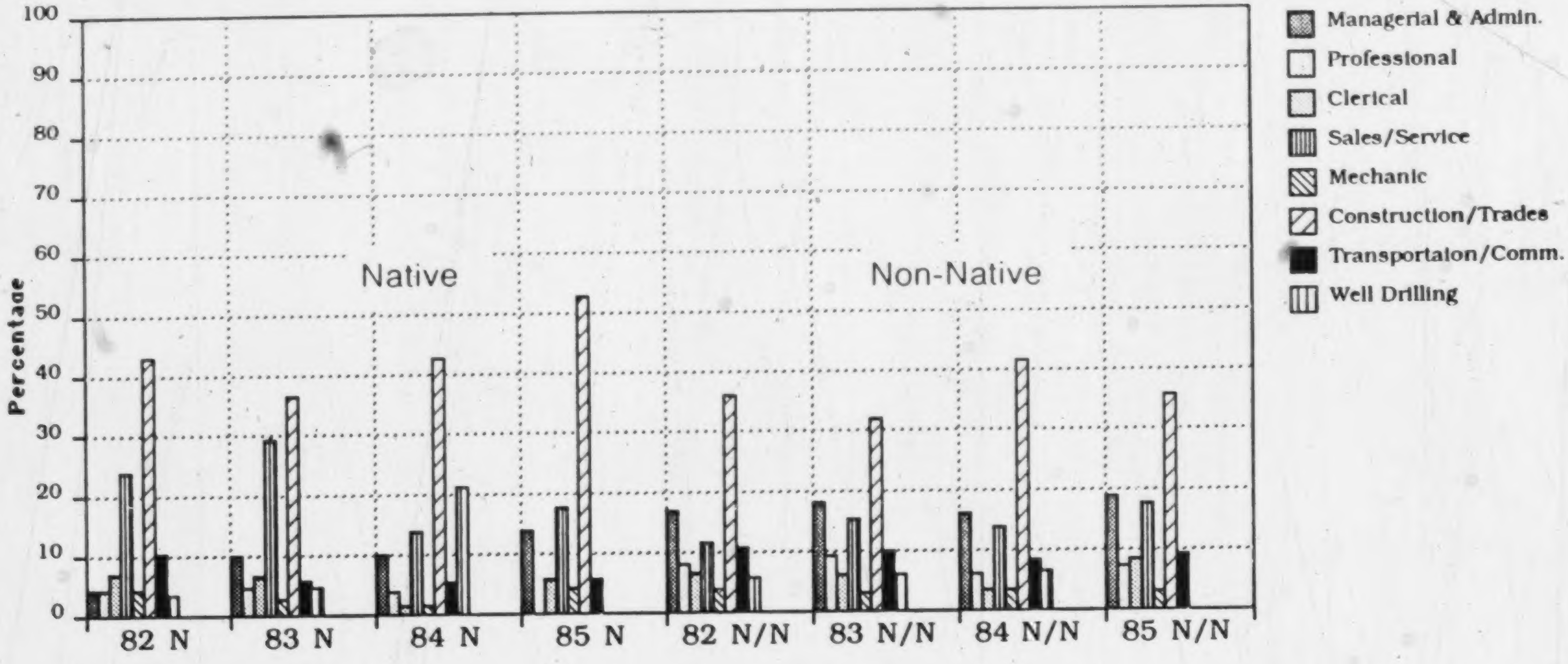


Data Sources:
Canada Benefits Submissions (1982-85), Dome, Gulf and Esso
"Child Care Needs Associated with Hydrocarbon Development in the Beaufort Region," prepared by D. Erickson for GNWT Social Services, 1985
"Beaufort Sea-Mackenzie Delta Environmental Impact Statement Supplementary Information," Dome, Gulf and Esso, 1983

Occupational Distribution of Norman Wells Project Labour force, 1982 - 1985

Table/Graph 38a

	Native employees (%)				Non-Native employees (%)			
Occupation	82 N	83 N	84 N	85 N	82 N/N	83 N/N	84 N/N	85 N/N
Managerial & Admin.	4.1	10.1	9.9	13.9	17	18	16.2	18.7
Professional	4.1	4.8	3.8	0	8.1	9.1	6.3	7.2
Clerical	6.9	6.4	1.6	5.8	6.6	6.1	3.6	8.6
Sales/Service	24	29.1	13.8	17.8	11.6	15.5	13.7	17.6
Mechanic	4.1	2.6	1.6	4.1	3.8	2.9	3.5	3.1
Construction/Trades	43.2	36.5	42.6	52.6	36.2	32.1	41.7	35.6
Transportaion/Comm.	10.2	5.8	5.5	5.8	10.9	10.1	8.3	9.2
Well Drilling	3.4	4.7	21.2	0	5.8	6.2	6.7	0

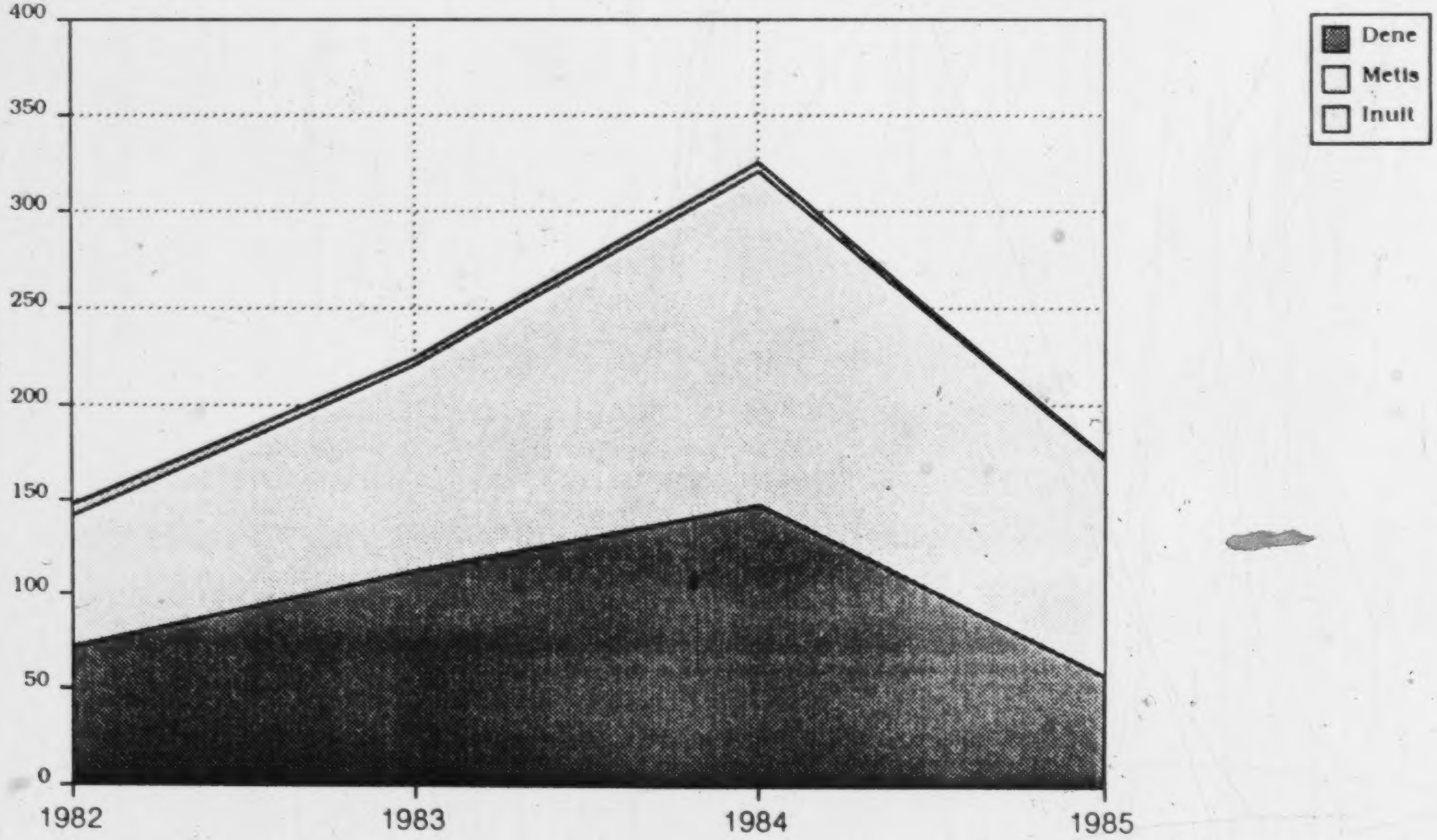


Date Source
"Changes in the Norman Wells Labour Force 1982-85," prepared for DIAND by
D. Stewart and R. Bone.

Norman Wells Project Labour Force by Ethnicity, 1982 - 1985

Table/Graph 38b

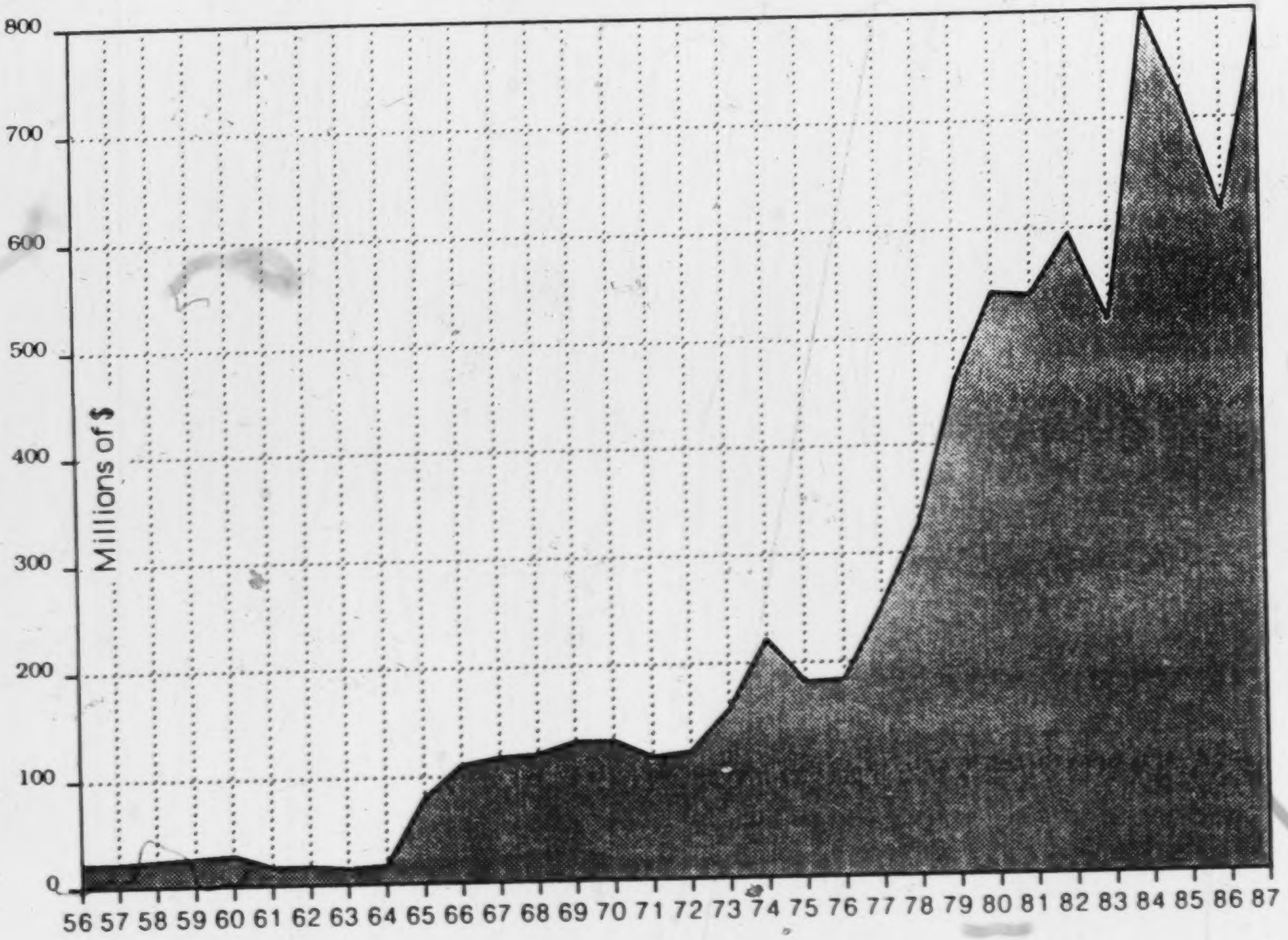
Ethnicity	1982	1983	1984	1985	% 82	% 83	% 84	% 85
Dene	72	112	148	57	10.6	10	10.1	8.8
Metis	70	109	173	115	10.3	9.8	11.8	17.7
Inuit	5	3	4	1	0.7	0.3	0.3	0.2
Non-Native	534	892	1142	478	78.4	79.9	77.8	73.4
Total	681	1116	1467	651				



Value of Mineral Production, Northwest Territories, 1956 to 1987

Table/Graph 39

Year	$ million
56	22
57	22
58	25
59	26
60	28
61	18
62	18
63	16
64	18
65	80
66	110
67	117
68	121
69	130
70	130
71	115
72	120
73	158
74	223
75	182
76	184
77	250
78	326
79	461
80	543
81	540
82	595
83	516
84	800
85	721
86	615
87	789



Data Sources:
"NWT Statistical Abstract," Data Management Division, Northern Affairs Program, DIAND; 1977
"The NWT Mining Industry 1975 -1979," prepared for the NWT Chamber of Mines by Price Waterhouse; 1980
NWT Data Book 1986-87, Outcrop Ltd, Yellowknife; 1987.
"NWT Economic Review & Outlook," GNWT Dep't of Economic Development and Tourism; 1988

Native Employment in the Mining Industry, Northwest Territories, 1975-1982 & 1989

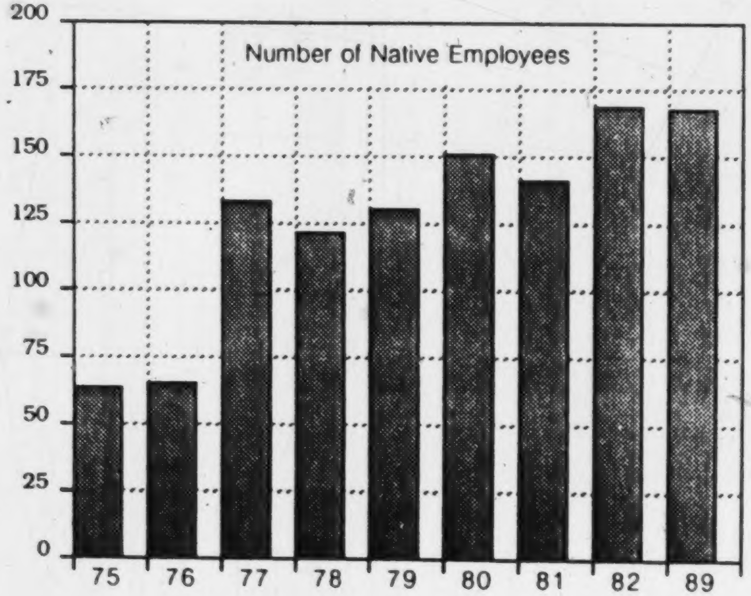
Table/Graph 40

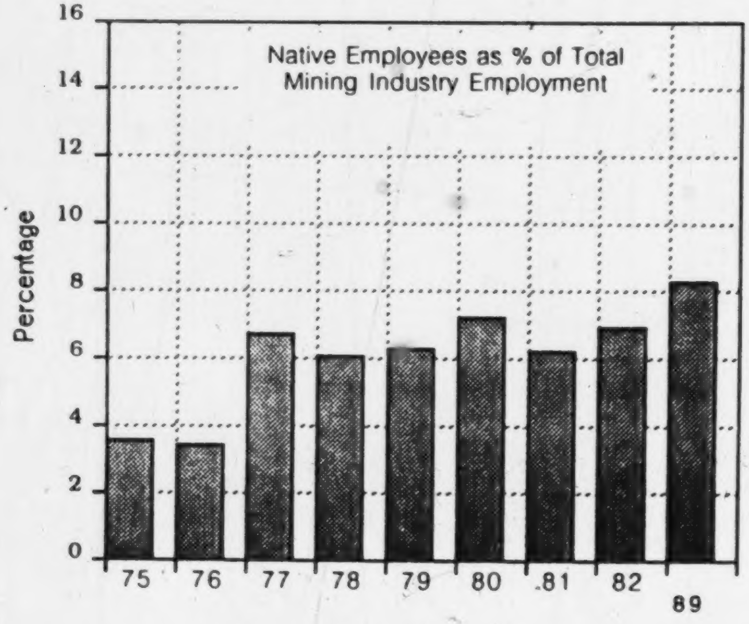
Year	Native Employees	% of Total Mine Employees
75	63	3.6
76	65	3.4
77	133	6.7
78	121	6.1
79	130	6.3
80	151	7.2
81	141	6.2
82	169	6.9
89	168	8.3

Data Sources:

"The Northwest Territories Mining Industry: Annual Report," prepared for NWT Chamber of Mines by Price Waterhouse Associates, 1975-1982.

Storey, K., & M. Shrimpton (1988) see bibliography.

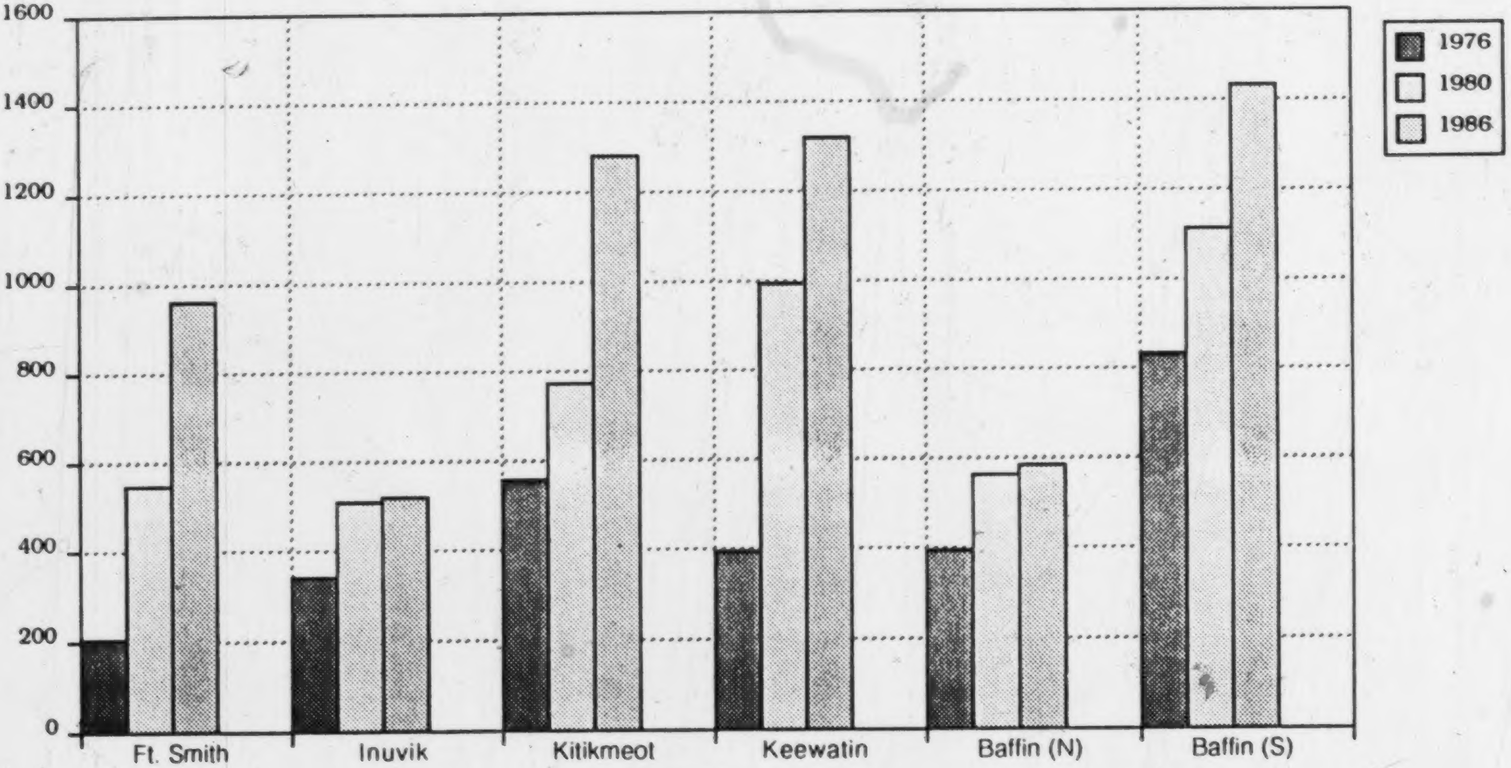




Cooperatives in the Northwest Territories, Membership Growth 1976 - 1986

Table/Graph 41

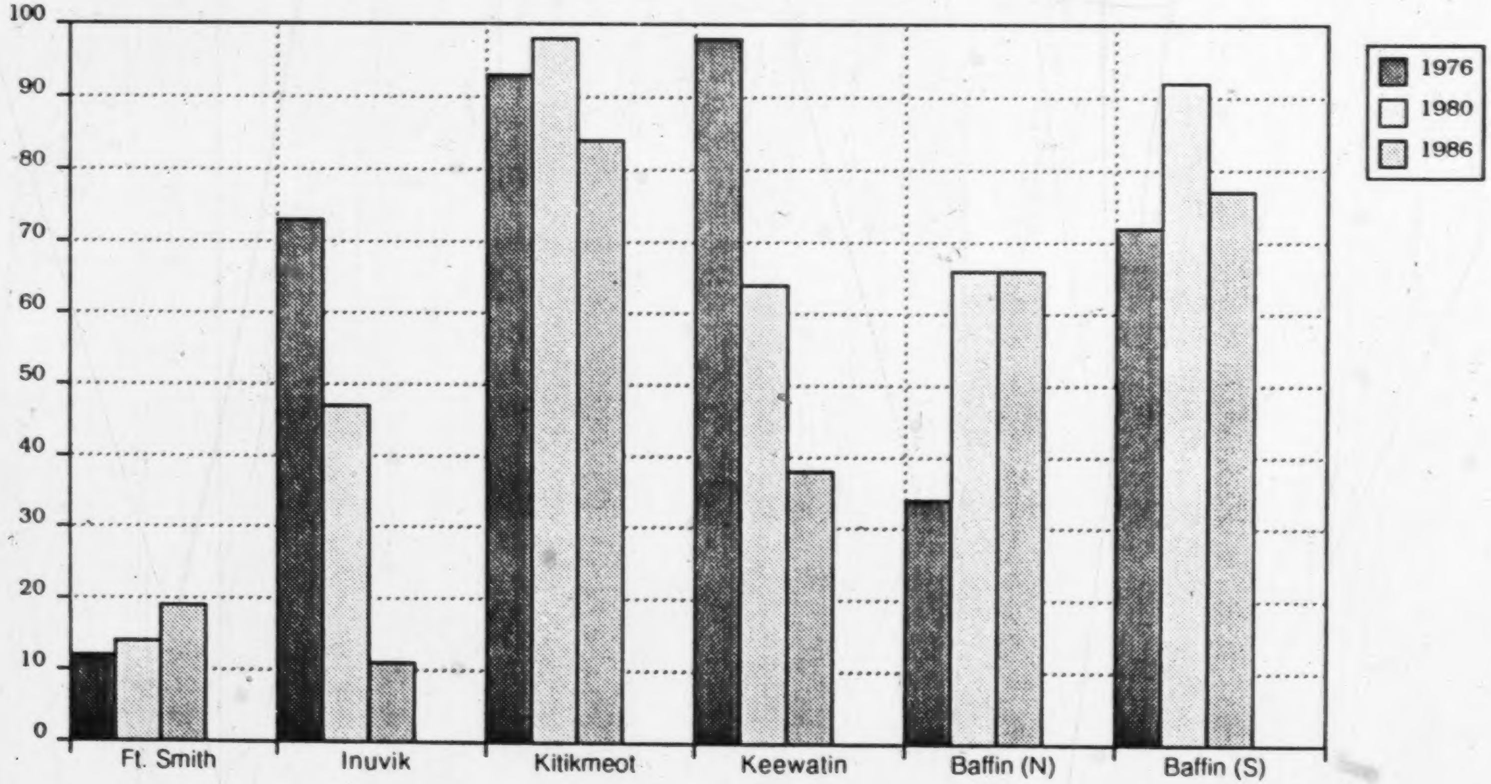
Region	**1976**	**1980**	**1986**	**Number of Active Cooperatives, 1986**
Ft. Smith	204	546	963	6
Inuvik	342	506	520	7
Kitikmeot	559	774	1279	6
Keewatin	396	994	1320	7
Baffin (N)	396	562	584	5
Baffin (S)	833	1111	1431	6
TOTAL	3106	4493	6097	37



Cooperatives in the Northwest Territories, Employment 1976 -1986

Table/Graph 42

Region	**1976**	**1980**	**1986**
Ft. Smith	12	14	19
Inuvik	73	47	11
Kitikmeot	93	98	84
Keewatin	98	64	38
Baffin (N)	34	66	66
Baffin (S)	72	92	77
TOTAL	284	381	295



Employment by Development Corporations in the Northwest Territories, 1986

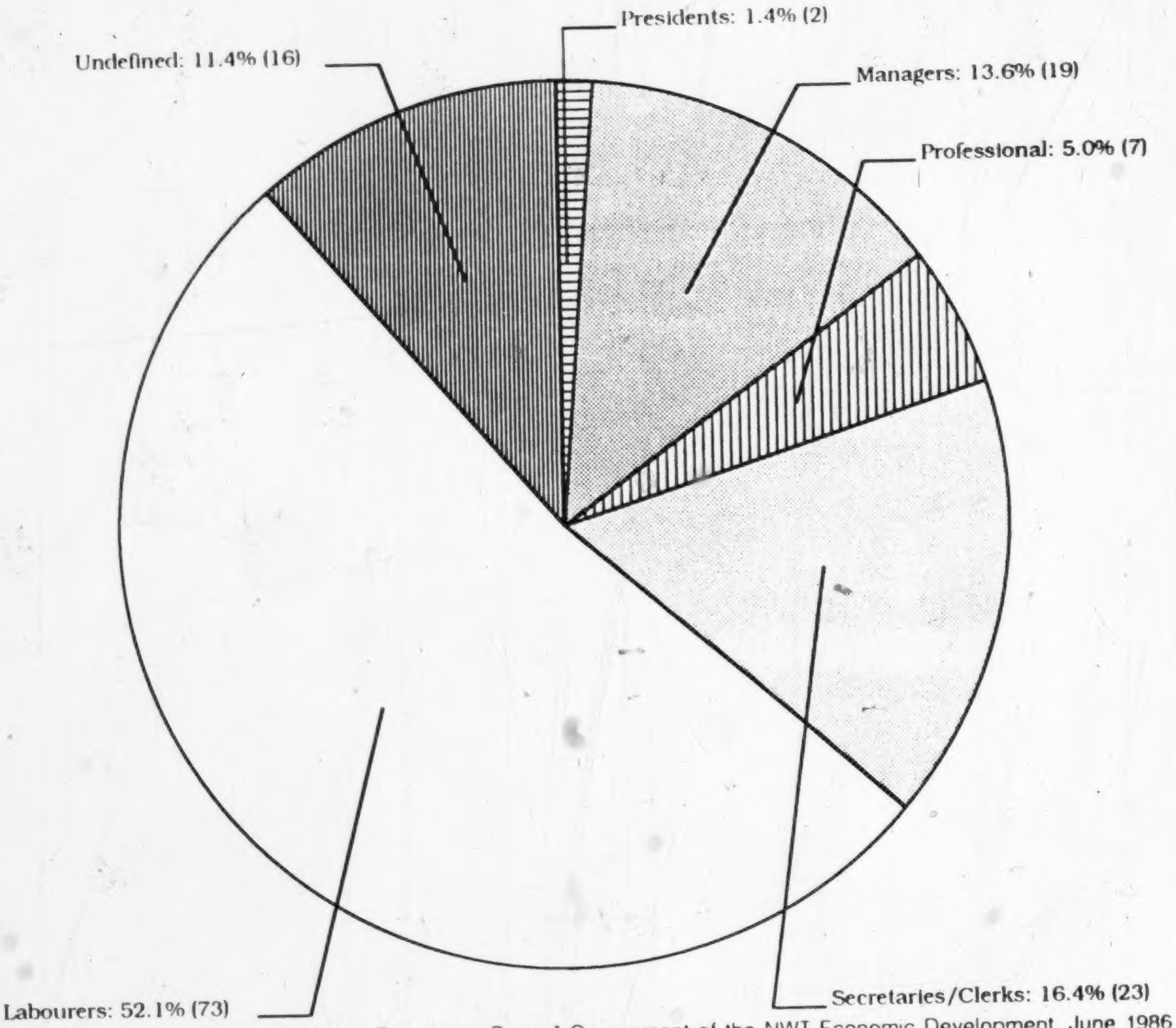
Table/Graph 43

OCCUPATION	NUMBER
Presidents	2
Managers	19
Professional	7
Secretaries/Clerks	23
Labourers	73
Undefined	16
TOTAL	140

During 1986 there were 15 Incorporated and Registered Development Corporations (DCs) in the NWT and 24 Registered, for a total of 39.

In addition to the 140 full-time employees, one DC listed 100-200 seasonal employees as firefighters and brushworkers. It should be noted that the 140 DC employees does not include employees of companies owned by DCs- this is particularly relevant in regard to DCs associated with land claims that have shares and ownership in a number of businesses.

There are two distinct types of Development Corporations in the NWT: those associated with land claims and those that are community and regionally based. The former are relatively well funded, while the latter are "on the whole poorly funded and lack management skills" (NWT Devel- opment Corporation Discussion Paper, GNWT Department of Econo- mic Development, June 1986, pg. 4).



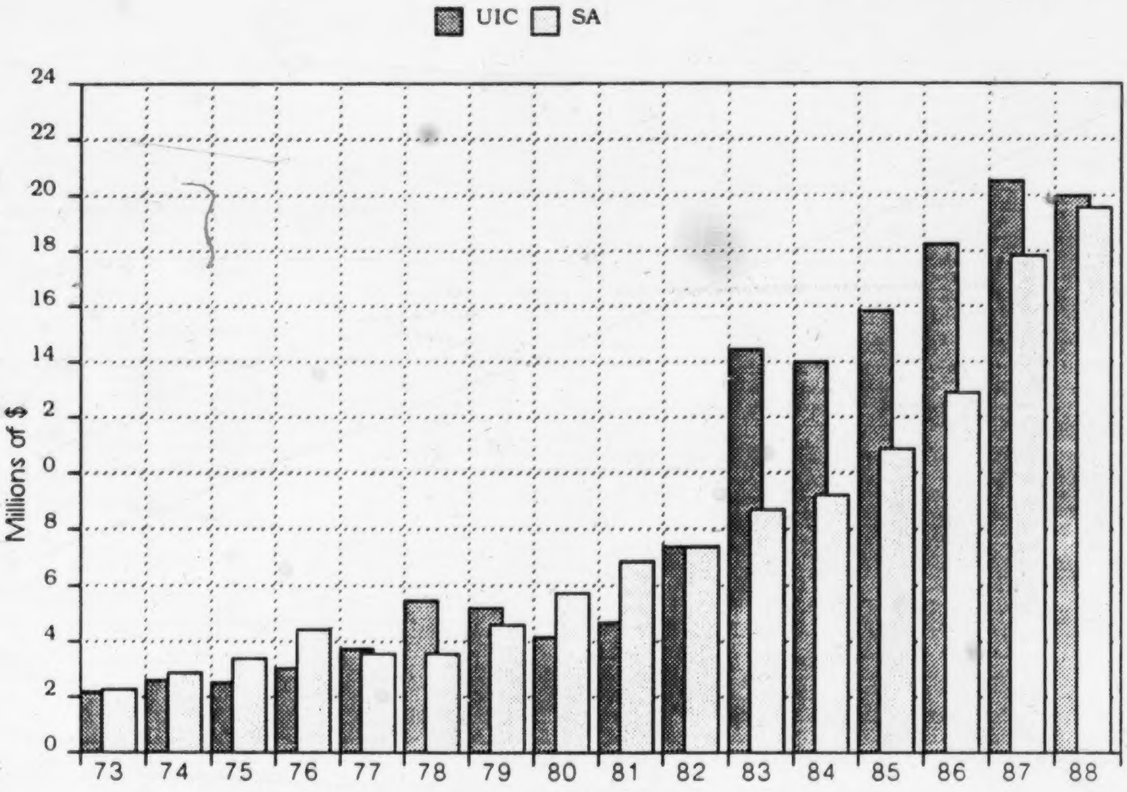
Source: "NWT Development Corporation Discussion Paper," Government of the NWT Economic Development, June 1986

Growth UIC Payments and Social Assistance (SA) 1973 - 1988

Northwest Territories

Table/Graph 44

	Millions of $		
Year	**UIC**	**SA**	**Total UIC & SA**
73	2.2	2.3	4.5
74	2.6	2.9	5.5
75	2.5	3.4	5.9
76	3	4.4	7.4
77	3.7	3.6	7.3
78	5.5	3.6	9.1
79	5.2	4.6	9.8
80	4.2	5.7	9.9
81	4.7	6.9	11.6
82	7.4	7.4	14.8
83	14.4	8.7	23.1
84	14	9.2	23.2
85	15.8	10.9	26.7
86	18.3	12.9	31.2
87	20.5	17.8	38.3
88	20	19.6	39.6



Data Sources:

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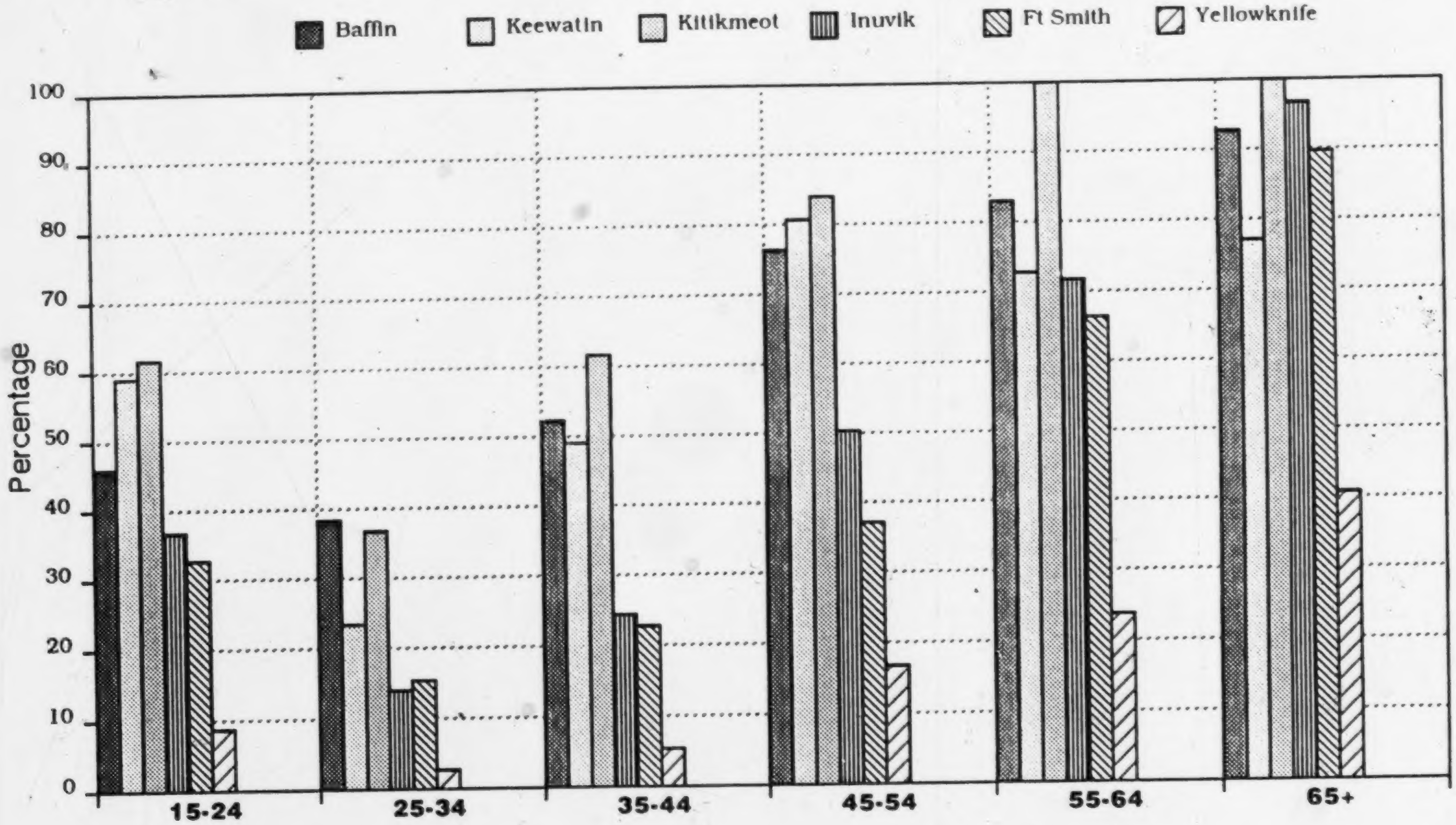
GNWT (1988) TSTAT Information System, Bureau of Statistics, Yellowknife.

Percentage NWT Population by Region (&YK) and Age with Less than Grade 9 Education

Table/Graph 45

	Age Groups					
Region	**15-24**	**25-34**	**35-44**	**45-54**	**55-64**	**65+**
Baffin	46.1	38.3	52.4	76.4	83.1	92.7
Keewatin	59	23.2	49	80.6	72.7	76.9
Kitikmeot	61.5	36.8	61.6	84	100	100
Inuvik	36.5	14.1	24.2	50.4	71.6	96.5
Ft Smith	32.6	15.4	22.7	37.1	66.4	89.6
Yellowknife	8.6	2.7	5.3	16.7	23.8	40.7



Data Source: 1986 Census, Statistics Canada

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